

# FINANCIAL STATEMENTS

31 December 2021

THE FOOD BANK SINGAPORE LTD.

Unique Entity Number: 201200654E

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## DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

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 2021.

### 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 2021, 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)

Koh Chaik Ming

Megel Christophe

### 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 2021

### 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,



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Nichol Ng Wee Teng (Huang Weiting)  
Director



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Ng Hon Han, Nicholas  
Director

10 June 2022

## 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 2021, 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 Companies Act 1967, 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 2021 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.

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## 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 1967, 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.

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## 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 1967, 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

10 June 2022

## STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2021

	Note	Unrestricted Funds	Restricted Funds		2021	2020
		General Funds	President's Challenge Fund	Temasek Foundation	Total Funds	Total Funds
		SGD	SGD	SGD	SGD	SGD
<b>Income</b>						
<b>Income from Generated Funds</b>						
Donation in Kind	4	3,574,740	-	-	3,574,740	8,411,776
Donation (Non-Tax Exempt)		1,243,234	-	243,000	1,486,234	2,463,079
Donation (Tax Exempt)		2,234,260	-	-	2,234,260	5,835,701
Grants						
- The Community Foundation of Singapore	5	21,000	-	-	21,000	70,000
- Community Chest Fund	6	187,200	-	-	187,200	100,000
- NCSS Fund	7	-	200,000	-	200,000	50,000
- Bicentennial Community Fund		-	-	-	-	400,000
- Government Grants	8	85,971	-	-	85,971	102,305
<b>Other Income</b>						
Sales from Vending Machine/Miscellaneous		17,591	-	-	17,591	11,873
Rental Income		-	-	-	-	24,000
<b>Total Income</b>		<b>7,363,996</b>	<b>200,000</b>	<b>243,000</b>	<b>7,806,996</b>	<b>17,468,734</b>
<b>Expenditure</b>						
<b>Cost of Generating Funds</b>						
Donation in Kind		3,574,740	-	-	3,574,740	8,411,776
Purchased Food Distributed		249,110	-	241,645	490,755	3,979,043



## STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2021

	Note	Unrestricted Funds	Restricted Funds		2021	2020
		General Funds	President's Challenge Fund	Temasek Foundation	Total Funds	Total Funds
		SGD	SGD	SGD	SGD	SGD
<b>Governance costs</b>						
Advertising fees		702	-	-	702	551
Auditor's remuneration	22	3,920	-	-	3,920	2,682
Bank charges		1,815	-	-	1,815	3,750
Depreciation expense	12	107,214	-	-	107,214	59,220
Employee benefit expense	10	709,778	-	-	709,778	493,803
Event expense		16,207	-	-	16,207	11,950
Food analysis		214	-	-	214	-
General expense		7,691	-	-	7,691	5,916
Insurance expenses		8,347	-	-	8,347	5,931
IT Expenses		12,078	-	-	12,078	2,077
Finance lease interest		5,828	-	-	5,828	5,828
Medical expenses		1,524	-	-	1,524	1,036
Printing and stationery		7,465	-	-	7,465	4,334
Packaging expense		3,519	-	-	3,519	21,709
Photography fees		-	-	-	-	1,200
Repairs and maintenance		9,553	-	-	9,553	4,248
Rental of food vending machine		-	-	-	-	12,107
Rental of vehicle		19,035	-	-	19,035	16,692
Rental for warehouse/office		178,299	-	-	178,299	128,528
Research project		134,976	-	-	134,976	130,100

The accompanying notes form an integral part of these financial statements

## STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2021

Note				2021	2020
	Unrestricted Funds	Restricted Funds		Total Funds	Total Funds
	General Funds SGD	President's Challenge Fund SGD	Temasek Foundation SGD	SGD	SGD
<b>Governance costs (continued)</b>					
Professional fees	1,338	-	-	1,338	2,294
Secretarial fees	1,000	-	-	1,000	1,000
Staff training & uniform	331	-	-	331	6,420
Staff welfare	43,667	-	-	43,667	29,535
Subscription fees	1,174	-	-	1,174	2,553
Telecommunications	20,636	-	-	20,636	8,545
Transport	59,019	-	-	59,019	89,641
Upkeep of motor vehicles	39,589	-	-	39,589	25,814
Waste disposal expenses	910	-	-	910	2,551
<b>Total Expenditure</b>	<b>5,219,679</b>	<b>-</b>	<b>241,645</b>	<b>5,461,324</b>	<b>13,470,834</b>
Surplus (Deficit) for the Year	2,144,317	200,000	1,355	2,345,672	3,997,900
<i>Transfer of funds:</i>					
- Capital expenditure	200,000	(200,000)	-	-	-
	200,000	(200,000)	-	-	-
<b>Reconciliation of Fund</b>					
Total Fund Brought Forward	4,316,913	-	-	4,316,913	319,013
<b>Total Fund Carried Forward</b>	<b>6,661,230</b>	<b>-</b>	<b>1,355</b>	<b>6,662,585</b>	<b>4,316,913</b>

The accompanying notes form an integral part of these financial statements

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 SGD	2020 SGD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Plant and Equipment	12	342,974	412,032
<b>Total Non-Current Assets</b>		<u>342,974</u>	<u>412,032</u>
<b>Current Assets</b>			
Inventories	13	273,846	-
Other Assets	15	31,897	29,108
Other Receivable	14	205	2,300
Cash and Cash Equivalents	16	6,243,943	4,105,029
<b>Total Current Assets</b>		<u>6,549,891</u>	<u>4,136,437</u>
<b>Total Assets</b>		<u>6,892,865</u>	<u>4,548,469</u>
<b>Fund and Liabilities</b>			
Unrestricted Fund		6,661,230	4,316,913
Restricted Fund	17	1,355	-
<b>Total Fund</b>		<u>6,662,585</u>	<u>4,316,913</u>
<b>Non-Current Liabilities</b>			
Finance Lease Payables	18	18,889	46,737
<b>Total Non-Current Liabilities</b>		<u>18,889</u>	<u>46,737</u>
<b>Current Liabilities</b>			
Trade and Other Payables	19	183,543	156,971
Finance Lease Payables	18	27,848	27,848
<b>Total Current Liabilities</b>		<u>211,391</u>	<u>184,819</u>
<b>Total Liabilities</b>		<u>230,280</u>	<u>231,556</u>
<b>Total Equity and Liabilities</b>		<u>6,892,865</u>	<u>4,548,469</u>

The accompanying notes form an integral part of these financial statements

## STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 SGD	2020 SGD
<b>Cash Flows From Operating Activities</b>			
(Deficit) Surplus for the year		2,345,672	3,997,900
Adjustments for:			
Interest Expense		5,828	5,828
Depreciation of Plant and Equipment		107,214	59,220
<b>Operating Cash Flows Before Changes in Working Capital</b>		<u>2,458,714</u>	<u>4,062,948</u>
Changes in Working Capital			
Inventories		(273,846)	-
Other Receivables		2,095	(2,300)
Other Assets		(2,789)	52,952
Trade and Other Payables		26,572	79,913
<b>Cash Flows From (Used In) Operations</b>		<u>2,209,391</u>	<u>4,193,513</u>
Interest Paid		(5,828)	(5,828)
<b>Net Cash Flows From (Used In) Operating Activities</b>		<u>2,204,918</u>	<u>4,187,685</u>
<b>Cash Flows From Investing Activities</b>			
Purchase of Plant and Equipment		(38,156)	(381,515)
<b>Net Cash Flows From (Used In) Investing Activities</b>		<u>(38,156)</u>	<u>(381,515)</u>
<b>Cash Flows From Financing Activities</b>			
Payment of Finance Lease Payables		(27,848)	(27,848)
<b>Net Cash Flows From (Used In) Financing Activities</b>		<u>(27,848)</u>	<u>(27,848)</u>
Net Increase (Decrease) in Cash and Cash Equivalents		2,138,914	3,778,322
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance		4,105,029	326,707
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	16	<u>6,243,943</u>	<u>4,105,029</u>

The accompanying notes form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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 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.

### Income recognition

Income shall be recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Company's net assets.

The following factors must also met before income is recognised:

(a) Entitlement

The Company has control over the rights or other access to the resource, enabling the Company to determine its future application;

(b) Certainty

It is probable that the income will be received; and

(c) Measurement

The amount of the income can be measured by the Company with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) *Income from generated funds*

- Voluntary income in the form of donations are recognised when received with unconditional entitlement to the receipts.
- Fund generating activities include income generated by fundraising events specifically to raise funds for the Company.

(b) *Income from Charitable activities*

Comprised of government subventions and grants for the programmes run by the Company. These are recognised as income according to the terms of the funding agreements, on an accrual basis with unconditional entitlement to the receipts

(c) *Other income*

Comprised of government credits is recognised as and when received

### Recognition of expenditures

Expenditures are recognised in the statement of financial activities once the goods or services have been received unless the expenditure qualifies for capitalisation as assets such as inventory and plant and equipment. Expenditure on performance-related grants are recognised to the extent the specified service or goods have been provided. Expenditures in the statement of financial activities are classified under the cost of generating funds, cost of charitable activities and governance costs.

(a) *Classification*

#### **Cost of generating funds**

These comprise costs which are associated with generating income from all sources, separate from those costs incurred in undertaking charitable activities.

### **Charitable activities**

Costs of charitable activities comprise resources applied by the Company in undertaking its works to meet its charitable objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

### **Governance costs**

Include the costs of governance arrangements, which relate to the general running of the Company as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure, which allows the Company to operate, and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the Company.

### 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.

### Inventories

Inventories consisting of donation-in-kind and bento for vending machine are stated at the lower of cost and net realisable value on a weighted average basis.

Net realisable value represents the estimated selling price in the ordinary course of business, less the cost of selling expenses.

### 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 2021 are disclosed in Note 12 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:

	<b>2021</b>	<b>2020</b>
	<b>SGD</b>	<b>SGD</b>
<i>Company in which directors have interest</i>		
Purchases	390,200	309,255
Rental of warehouse/office	178,299	128,528
Rental income	-	24,000

### 3.2 Key management compensation:

	<b>2021</b>	<b>2020</b>
	<b>SGD</b>	<b>SGD</b>
benefits	29,540	27,950

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

	<b>2021</b>	<b>2020</b>
	<b>SGD</b>	<b>SGD</b>
Director's remuneration and bonus ("CPF")	27,477	26,000
	2,063	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 SGD100,000 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 The Community Foundation of Singapore

	2021	2020
	SGD	SGD
The PWC S'pore Foundation – Joy in Every Bundle	-	45,000
Sayang Sayang Fund – Food Pantry 2.0	-	5,000
Sayang Sayang Fund – I Need A Date	-	20,000
Catalyst Fund	1,000	-
Ng Kim Suan Foundation	20,000	-
	<u>21,000</u>	<u>70,000</u>

## 6 Community Chest Fund

	2021	2020
	SGD	SGD
KSL Corporate	-	100,000
Starhub Ltd	187,200	-
	<u>187,200</u>	<u>100,000</u>

## 7 NCSS Fund

	2021	2020
	SGD	SGD
The Invictus Fund	-	50,000
President's Challenge Fund	200,000	-
	<u>200,000</u>	<u>50,000</u>

President's Challenge is used to fund:

- (a) Food Pantry 2.0; and
- (b) Renovation of kitchen set-up and equipments for central kitchen innovation hub

The movement in the funds is as follows:

	2021	2020
	SGD	SGD
At beginning of year	-	-
Net income	200,000	-
<i>Transfer of funds:</i>		
- Capital expenditure	(200,000)	-
At end of balance	<u>-</u>	<u>-</u>

## 8 Government Grants

	2021	2020
	SGD	SGD
Jobs Support Scheme (JSS)	27,112	85,371
Jobs Growth Incentive	16,912	-
Employment and Employability Institute - Wok Life Grant	18,000	-
Special Employment/Wages Credit Scheme	21,273	16,934
Others	2,674	-
	<u>85,971</u>	<u>102,305</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.

## 9 Fundraising activities

	2021	2020
	SGD	SGD
<i>Fundraising income</i>		
Collection of Food Donations	<u>53,847</u>	<u>6,123</u>
<i>Less Fundraising Expenditures</i>		
Collection of Food Donations	<u>14,802</u>	<u>942</u>
Surplus from fundraising activities	<u>39,045</u>	<u>5,181</u>
Ratio of Fundraising Expenditure to Income	<u>27%</u>	<u>15%</u>

## 10 Employee Benefit Expense

	2021	2020
	SGD	SGD
Director's remuneration and bonus	27,477	26,000
Staff salaries and bonus	546,131	359,545
CPF)	85,903	58,021
Helpers allowance	672	1,017
Labour cost – Outsourced	49,595	49,220
	<u>709,778</u>	<u>493,803</u>

## 11 Income Tax Benefit (Expense)

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

## 12 Plant and Equipment

	Vending Machine SGD	Motor Vehicles SGD	Furniture and fittings SGD	Office equipment SGD	Total SGD
<b>Cost</b>					
At 1.1.2020	-	208,247	21,458	11,336	241,041
Additions	366,411	-	-	15,104	381,515
At 31.12.2020 and 1.1.2021	366,411	208,247	21,458	26,440	622,556
Additions	24,717	-	-	13,439	38,156
At 31.12.2021	391,128	208,247	21,458	39,879	660,712
<b>Accumulated Depreciation</b>					
At 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 and 1.1.2021	10,009	176,946	18,598	4,971	210,524
Depreciation for year	66,990	29,806	2,860	7,558	107,214
At 31.12.2021	76,999	206,752	21,458	12,529	317,738
<b>Net Carrying Amount</b>					
At 31.12.2021	314,129	1,495	-	27,350	342,974
At 31.12.2020	356,402	31,301	2,860	21,469	412,032

Motor vehicles are under finance leases (note 18).

## 13 Inventories

	2021 SGD	2020 SGD
Finished goods	273,846	-
Inventories cost expenses off as cost of	490,755	-

## 14 Trade and Other Receivables

	2021 SGD	2020 SGD
Amount due from related parties – Trade	-	2,000
Other receivables	205	300
	205	2,300

## 15 Other Assets

	2021 SGD	2020 SGD
Deposits	20,930	19,780
Prepayments	10,967	9,328
	31,897	29,108

## 16 Cash and Cash Equivalents

This represents deposits with financial institutions.

## 17 Restricted Fund

	2021	2020
	SGD	SGD
At beginning of year	-	-
Funds received	243,000	-
Less: utilisation	(241,645)	-
At end of balance	<u>1,355</u>	<u>-</u>

This represents funds from Temasek Foundation to:

- (a) Deliver meals to vulnerable and disadvantaged persons to help them cope with the COVID-19 pandemic.
- (b) Engage hawkers who are impacted by the COVID-19 pandemic to provide daily meals to vulnerable and disadvantaged persons.
- (c) Engage persons who lost their jobs or their income affected due to the COVID-19 pandemic to deliver meals to vulnerable and disadvantaged persons.

## 18 Finance Lease Payables

	Minimum Lease Payments 2021 SGD	Present Value of Payments 2021 SGD	Minimum Lease Payments 2020 SGD	Present Value of Payments 2020 SGD
Not later than one year	33,676	27,848	33,676	27,848
Later than one year but not later than five years	22,846	18,889	56,522	46,737
Total minimum lease payments	<u>56,522</u>	<u>46,737</u>	<u>90,198</u>	<u>74,585</u>
Finance charges	(9,785)	-	(15,613)	-
Total present value of minimum lease payments	<u>46,737</u>	<u>46,737</u>	<u>74,585</u>	<u>74,585</u>

The rates of interest for finance leases are 2.99% (2020: 2.99%) per annum. Interest rates are fixed at contract date.

## 19 Trade and Other Payables

	2021	2020
	SGD	SGD
Trade payables		
- Related parties (Note 3)	35,973	56,642
- Others	71,275	4,842
Deposit received	6,250	7,750
Accrual	53,782	42,453
Other Payables	16,263	45,284
	<u>183,543</u>	<u>156,971</u>

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.

## 20 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:

	2021	2020
	SGD	SGD
<i>Rental payable</i>		
Not later than one year	287,444	183,720
years	18,614	34,800
	<u>306,058</u>	<u>218,520</u>

## 21 Reserves Policy

	2021	2020
	SGD	SGD
Unrestricted fund	6,661,230	4,316,913
Restricted Fund	1,355	-
	<u>6,662,585</u>	<u>4,316,913</u>
(excluding donation in kind)	<u>1,886,584</u>	<u>5,059,058</u>
Expenditure	<u>3.53</u>	<u>0.85</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.



## **22 Auditor's Remuneration**

Auditor's remuneration for the year amounted to SGD 3,920 (2020: SGD 2,682). There were no other services rendered during the year.

## **23 Uncertainties relating to the COVID-19 pandemic**

Management has reviewed the estimated potential impact and plausible downside scenarios, along with its responses as a result of the COVID-19 pandemic. No material uncertainties were identified in connection with the Company's ability to continue in operational existence for the foreseeable future.