

FINANCIAL STATEMENTS

31 December 2023

THE FOOD BANK SINGAPORE LTD.

Unique Entity Number: 201200654E

ORGANISATION INFORMATION

Unique entity number	201200654E
Registered office	218 Pandan Loop #06-03 Singapore 128408
Bankers	OCBC DBS
Board of Directors	Nichol Ng Wee Teng Ng Hon Han, Nicholas Wong H'sien Loong (Wang Qunlong) Koh Chaik Ming Megel Christophe Gan Leong Hin Tan Hwee Leng
Auditor	P G Wee Partnership LLP Chartered Accountants of Singapore 111 Somerset Road #13-33 Singapore 238164 Tel: 6220 8858

TABLE OF CONTENTS

Directors' Statement	1
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

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 2023.

Opinion of the directors

In the opinion of the directors, the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance and cash flows of the Company for the 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
Ng Hon Han, Nicholas
Wong H'sien Loong (Wang Qunlong)
Koh Chaik Ming
Megel Christophe
Gan Leong Hin (Appointed on 1 July 2023)
Tan Hwee Leng (Appointed on 1 January 2024)

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 2023

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
Director



Ng Hon Han, Nicholas
Director

31 May 2024

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 2023, and the statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standards in Singapore (CAS) so as to give a true and fair view of the financial position of the Company as at 31 December 2023 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.

PL

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 in Singapore (CAS), 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 skepticisms 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.

Ph



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 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 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

31 May 2024

P G Wee Partnership LLP (UEN: T13LL0036E)

P G Wee Partnership LLP (registration number T13LL0036E) is an accounting limited liability partnership registered in Singapore with limited liability under the Limited Liability Partnerships Act 2005.

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2023

	Note	2023			2022	
		Unrestricted Funds	Restricted Funds		Total Funds	Total Funds
		General Funds	President's Challenge Fund	Charities Aid Foundation of America Fund	SGD	SGD
		SGD	SGD	SGD	SGD	
<u>Income</u>						
Income from Generated Funds						
Voluntary Income						
Donation in Kind	5	2,986,137	-	-	2,986,137	3,249,085
Donation (Non-Tax Deductible)		983,867	-	-	983,867	844,297
Donation (Tax Deductible)		1,785,118	-	-	1,785,118	2,081,370
The Community Foundation of Singapore	6	90,000	-	-	90,000	50,000
Grants	7	151,415	-	-	151,415	562,830
Other Income						
Sales from Vending Machine/Miscellaneous		25,131	-	-	25,131	12,001
Interest income		-	-	-	-	2,521
Gain on disposal of plant and equipment		-	-	-	-	306
Total Income		6,021,668	-	-	6,021,668	6,802,410
<u>Expenditure</u>						
Cost of Generating Funds						
Donation in Kind		2,986,137	-	-	2,986,137	3,249,085
Purchased Food Distributed		1,144,303	-	-	1,144,303	1,360,628

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2023

	Note	2023			2022	
		Unrestricted Funds	Restricted Funds		Total Funds	Total Funds
		General Funds	President's Challenge Fund	Charities Aid Foundation of America Fund	SGD	SGD
		SGD	SGD	SGD	SGD	
Governance costs						
Advertising fees		869	-	-	869	14
Auditor's remuneration		6,355	-	-	6,355	4,500
Bank charges		17,697	-	-	17,697	16,446
Depreciation expense	14	178,910	25,000	58,529	262,439	98,327
Donation		-	-	-	-	7,188
Employee benefit expense	12	858,668	-	-	858,668	700,401
Event expense		18,623	-	-	18,623	21,811
General expense		13,633	-	-	13,633	27,204
Insurance expenses		10,776	-	-	10,776	21,456
IT Expenses		13,003	-	-	13,003	32,986
Loss on disposal of fixed assets		11,307	-	-	11,307	-
Finance lease interest		3,733	-	-	3,733	5,828
Medical expenses		1,239	-	-	1,239	852
Marketing expenses		33,963	-	-	33,963	30,000
Media relation expenses		49,500	-	-	49,500	126,000
Printing and stationery		3,687	-	-	3,687	2,472
Packaging expense		22,983	-	-	22,983	22,459
Repairs and maintenance		95,905	-	-	95,905	87,984
Rental of food vending machine		12,950	-	-	12,950	12,114
Rental of vehicle		18,792	-	-	18,792	18,618
Rental for warehouse/office		560,420	-	-	560,420	511,821
Research project		-	-	-	-	32,012

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2023

	Note	2023			2022	
		Unrestricted Funds	Restricted Funds		Total Funds	Total Funds
		General Funds	President's Challenge Fund	Charities Aid Foundation of America Fund	SGD	SGD
		SGD	SGD	SGD	SGD	
Governance costs (continued)						
Professional fees		44,758	-	-	44,758	19,904
Secretarial fees		2,000	-	-	2,000	1,301
Staff training		4,748	-	-	4,748	1,282
Staff welfare		33,656	-	-	33,656	42,525
Subscription fees		14,609	-	-	14,609	46,210
Plant and equipment expensed off		13,925	-	-	13,925	-
Telecommunications		13,424	-	-	13,424	16,528
Transport		12,423	-	-	12,423	38,009
Upkeep of motor vehicles		34,758	-	-	34,758	39,211
Utilities		23,038	-	-	23,038	25,680
Waste disposal expenses		15,552	-	-	15,552	20,544
Total Expenditure		<u>6,276,344</u>	<u>25,000</u>	<u>58,529</u>	<u>6,359,873</u>	<u>6,641,400</u>
Surplus (Deficit) for the Year		<u>(254,676)</u>	<u>(25,000)</u>	<u>(58,529)</u>	<u>(338,205)</u>	<u>161,010</u>
Reconciliation of Fund						
Total Fund Brought Forward		6,321,065	150,000	351,175	6,822,240	6,661,230
Total Fund Carried Forward		<u>6,066,389</u>	<u>125,000</u>	<u>292,646</u>	<u>6,484,035</u>	<u>6,822,240</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 SGD	2022 SGD
Assets			
Non-Current Assets			
Plant and Equipment	14	858,913	883,030
Total Non-Current Assets		<u>858,913</u>	<u>883,030</u>
Current Assets			
Inventories	15	115,205	174,086
Other Assets	17	268,251	793,153
Other Receivable	16	1,080	120,251
Cash and Cash Equivalents	18	5,422,253	5,023,789
Total Current Assets		<u>5,806,789</u>	<u>6,111,279</u>
Total Assets		<u><u>6,665,702</u></u>	<u><u>6,994,309</u></u>
Fund and Liabilities			
Unrestricted Fund		6,066,389	6,321,065
Restricted Fund - Charities Aid Foundation of America Fund	9	292,646	351,175
Restricted Fund - President Challenge Fund	10	125,000	150,000
Restricted Fund - Termasek Foundation Fund	11	-	-
Total Fund		<u>6,484,035</u>	<u>6,822,240</u>
Non-Current Liabilities			
Finance Lease Payables	19	-	1,052
Total Non-Current Liabilities		<u>-</u>	<u>1,052</u>
Current Liabilities			
Trade and Other Payables	20	180,615	153,180
Finance Lease Payables	19	1,052	17,837
Total Current Liabilities		<u>181,667</u>	<u>171,017</u>
Total Liabilities		<u>181,667</u>	<u>172,069</u>
Total Equity and Liabilities		<u><u>6,665,702</u></u>	<u><u>6,994,309</u></u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 SGD	2022 SGD
Cash Flows From Operating Activities			
(Deficit) Surplus for the year		(338,205)	161,010
Adjustments for:			
Interest Expense		3,733	5,828
Loss / (Gain) on Disposal of Fixed Asset		11,307	(306)
Fixed Deposit Interest		-	(2,521)
Depreciation of Plant and Equipment		262,439	98,327
Operating Cash Flows Before Changes in Working Capital		<u>(60,726)</u>	<u>262,338</u>
Changes in Working Capital			
Inventories		58,881	99,760
Other Receivables		119,171	(120,046)
Other Assets		524,902	(761,256)
Trade and Other Payables		27,435	(30,363)
Cash Flows From (Used In) Operations		<u>669,663</u>	<u>(549,567)</u>
Interest Paid		(3,733)	(5,828)
Refund of Restricted Fund		-	(1,355)
Net Cash Flows From (Used In) Operating Activities		<u>665,930</u>	<u>(556,750)</u>
Cash Flows From Investing Activities			
Purchase of Plant and Equipment		(249,629)	(638,939)
Proceed from Disposal of Plant and Equipment		-	862
Fixed Deposit Interest		-	2,521
Net Cash Flows From (Used In) Investing Activities		<u>(249,629)</u>	<u>(635,556)</u>
Cash Flows From Financing Activities			
Payment of Finance Lease Payables		(17,837)	(27,848)
Net Cash Flows From (Used In) Financing Activities		<u>(17,837)</u>	<u>(27,848)</u>
Net Increase (Decrease) in Cash and Cash Equivalents		398,464	(1,220,154)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance		<u>5,023,789</u>	<u>6,243,943</u>
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	18	<u>5,422,253</u>	<u>5,023,789</u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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 #06-03 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 August 2023 to 30 June 2025.

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. 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 Material Accounting Policy Information

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 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 ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 or respective notes, where disclosed.

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.

Government grants

Grants from government and other organisations are recognised as income only when there is sufficient evidence that the Company has complied with the conditions attached to them and there is reasonable certainty that they will be received. These grants are recognised on an accrual basis.

Additionally, grants recognised in the statement of financial activities are calculated based on the funding principles set by the individual organisations. Adjustments to the grants which are made on finalisation by the relevant organisations are recognised in the statement of financial activities in the financial year in which they are finalised.

Grants with specific conditions are recognised either when they have been conformed to, or when there is sufficient evidence that they will be met. In instances where there is uncertainty about the ability of the Company to meet the conditions set by grantors, the recognition of the grants as income is deferred until conditions imposed at the time of the grants can be complied with.

Grants for capital expenditures are recognised in the statement of financial activities when the Company have entitlement to the income and not deferred over the useful life of the asset. Once acquired, the use of the asset will be restricted fund and will then be reduced over the useful life of the asset in line with its depreciation.

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
Web development	-	3 years
Renovation	-	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.

Funds

(a) Unrestricted funds

Unrestricted fund is available for use at the discretion of the board members in furtherance of the general objectives of the Company.

(b) Restricted funds

Restricted funds are funds subject to specific funded programmes by government, donors and charity bodies, but still within the wider objects of the Company.

Restricted funds may only be utilised in accordance with the purposes established by the sources of funds and are in contrast with unrestricted funds over which the board members retains full control to use in achieving its intitutional purposes.

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

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.

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.

3 Significant Accounting Judgements and Estimates

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 3 to 5 years. The carrying amount of the company's plant and equipment at 31 December 2023 are disclosed in Note 14 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.

In-Kind Contributions

In addition to receiving cash contributions, the company receives in-kind contributions of food and other products from various donors. In-kind donations of products, the related inventory and the cost of donated food distributed are valued at fair value at the date of receipt of the food items.

Substantial number of volunteers donate significant amounts of their time to enable the company to meet its mission. Due to the difficulty of determining their fair value, contributed services are not recognised in the financial statements.

4 Related Party Transactions

4.1 Related parties:

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:

	2023	2022
	SGD	SGD
<i>Company in which directors have interest</i>		
<i>Food Services Inc Pte. Ltd.</i>		
Purchases	253,772	385,412

The Food Bank Singapore Ltd.

X Properties Inc Pte. Ltd.

Rental of warehouse/office	560,420	511,821
Utilities	23,038	25,680
Waste disposal	15,552	20,544

Logixtics Inc Pte Ltd

Transport	-	19,195
-----------	---	--------

4.2 Key management compensation:

	2023	2022
	SGD	SGD
Salaries and other short-term employee benefits	-	13,695

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

	2023	2022
	SGD	SGD
Director's remuneration and bonus	-	12,739
Contributions to defined contribution plan ("CPF")	-	956

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.

The Board of Management does not receive remuneration from the Company. There is no paid staff who are close members of the family of the Executive Head or Board Member, who receives more than \$50,000 during the year.

5 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.

6 The Community Foundation of Singapore

	2023	2022
	SGD	SGD
Ng Kim Suan Foundation	90,000	50,000
	<u>90,000</u>	<u>50,000</u>

7 Grants

	2023	2022
	SGD	SGD
Jobs Growth Incentive	3,035	40,610
Special Employment/Wages Credit Scheme	39,400	19,721
Grant Income from President's Challenge Fund (Note 10)	-	150,000
Grant Income from Charities Aid Foundation America Fund (Note 9)	-	351,175
Grant Income from The Blackstone Foundation	32,713	-
Grant Income from Temasek Trust	29,450	-
Grant Income from Republic Poly	27,500	-
Grant Income from VWO Charities Capability Fund	13,702	-
Others	5,615	1,324
	<u>151,415</u>	<u>562,830</u>

8 Fundraising activities

	2023	2022
	SGD	SGD
<i>Fundraising income</i>		
Collection of Food Donations	<u>98,400</u>	<u>44,214</u>
<i>Less Fundraising Expenditures</i>		
Collection of Food Donations	<u>18,680</u>	<u>12,978</u>
Surplus from fundraising activities	<u>79,720</u>	<u>31,236</u>
Ratio of Fundraising Expenditure to Income	<u>19%</u>	<u>24%</u>

9 Charities Aid Foundation of America Fund

	2023	2022
	SGD	SGD
At beginning of year	351,175	-
Amortisation for depreciation of plant and equipment (Note 14)	(58,529)	-
Net income	-	351,175
At end of balance	<u>292,646</u>	<u>351,175</u>

This represents funds from Charities Aid Foundation of America to expand office space, meeting rooms, volunteer rooms of warehouses and buildings, network systems, partitioning of warehouse space and etc.

10 President's Challenge Fund

	2023	2022
	SGD	SGD
At beginning of year	150,000	-
Amortisation for depreciation of plant and equipment (Note 14)	(25,000)	-
Net income	-	150,000
At end of balance	<u>125,000</u>	<u>150,000</u>

This represents funds from President's Challenge to fund:

- (a) Food Pantry 2.0; and
- (b) Renovation of kitchen set-up and equipment for central kitchen innovation hub.
- (c) Expansion of warehouse and office space to handle larger incoming food donations in a bigger space. The funds in 2022 will be disbursed in two tranches. First tranche was received on 31 December 2022 and second tranche will be disbursed by 31 March 2023.

11 Temasek Foundation Fund

	2023	2022
	SGD	SGD
At beginning of year	-	1,355
Less: refund	-	(1,355)
At end of balance	<u>-</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.

12 Employee Benefit Expense

	2023	2022
	SGD	SGD
Director's remuneration and bonus	-	12,739
Staff salaries and bonus	742,034	597,204
CPF contribution (inclusive of Director's CPF)	116,634	90,202
Helpers allowance	-	256
	<u>858,668</u>	<u>700,401</u>

13 Income Tax Benefit (Expense)

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

14 Plant and Equipment

	Vending Machine	Motor Vehicles	Furniture and fittings	Office equipment	Web development	Renovation	Total
	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Cost							
At 1.1.2022	391,128	208,247	21,458	39,879	-	-	660,712
Additions	963	-	-	-	191,200	446,776	638,939
Disposal	(856)	-	-	-	-	-	(856)
At 31.12.2022 and 1.1.2023	391,235	208,247	21,458	39,879	191,200	446,776	1,298,795
Additions	-	-	-	25,596	-	224,033	249,629
Disposal	(24,610)	-	-	-	-	-	(24,610)
At 31.12.2023	366,625	208,247	21,458	65,475	191,200	670,809	1,523,814
Accumulated Depreciation							
At 1.1.2022	76,999	206,752	21,458	12,529	-	-	317,738
Depreciation for year	78,232	1,495	-	7,978	10,622	-	98,327
Disposal	(300)	-	-	-	-	-	(300)
At 31.12.2022 and 1.1.2023	154,931	208,247	21,458	20,507	10,622	-	415,765
Depreciation for year	76,196	-	-	12,959	63,733	109,551	262,439
Disposal	(13,303)	-	-	-	-	-	(13,303)
At 31.12.2023	217,824	208,247	21,458	33,466	74,355	109,551	664,901
Net Carrying Amount							
At 31.12.2023	148,801	-	-	32,009	116,845	561,258	858,913
At 31.12.2022	236,304	-	-	19,372	180,578	446,776	883,030

Motor vehicles are under finance leases (note 19).

The purchase of plant and equipment are subsidised by the following grants during the year:

	2023 SGD	2022 SGD
Charities Aid Foundation of America Fund (Note 9)	-	351,175
President's Challenge Fund (Note 10)	-	150,000
	-	501,175

Depreciation included in statement of financial activities is as follows:

	2023 SGD	2022 SGD
Expenditure of governance costs	178,910	98,327
Charities Aid Foundation of America Fund (Note 9)	58,529	-
President's Challenge Fund (Note 10)	25,000	-
	262,439	98,327

15 Inventories

	2023	2022
	SGD	SGD
Finished goods	115,205	174,086
Inventories cost expenses off as cost of sales	1,144,303	1,360,628

16 Trade and Other Receivables

	2023	2022
	SGD	SGD
Amount due from a related party – The Food Bank Asia Ltd (Note 4)	-	15,205
Other receivables	1,080	46
Grant receivables	-	105,000
	1,080	120,251

17 Other Assets

	2023	2022
	SGD	SGD
Deposits		
- Third parties	2,450	2,450
- Rental deposits paid to related party - X Properties Inc Pte. Ltd. (Note 4)	232,180	250,660
Prepayment		
- Third parties	25,444	29,300
- Rental prepaid to a related party - X Properties Inc Pte. Ltd. (Note 4)	4,652	253,445
Advance payment to related party - Food Xervices Inc Pte. Ltd. (Note 4)	3,525	257,298
	268,251	793,153

18 Cash and Cash Equivalents

This represents deposits with financial institutions.

19 Finance Lease Payables

	Minimum Lease Payments	Present Value of Payments	Minimum Lease Payments	Present Value of Payments
	2023	2023	2022	2022
	SGD	SGD	SGD	SGD
Not later than one year	1,276	1,052	21,570	17,837
Later than one year but not later than five years	-	-	1,276	1,052
Total minimum lease payments	1,276	1,052	22,846	18,889
Finance charges	(224)	-	(3,957)	-
Total present value of minimum lease payments	1,052	1,052	18,889	18,889

The rates of interest for finance leases are 2.99% (2022: 2.99%) per annum. Interest rates are fixed at contract date.

20 Trade and Other Payables

	2023	2022
	SGD	SGD
Trade payables		
- Third parties	54,275	74,974
Accrual		
- Utilities owed to related party - Food Xervices Inc Pte. Ltd. (Note 4)	-	1,605
- Others	90,963	39,735
Amount due to director - non trade (Note 4)	1,119	-
Deposit received	5,500	5,650
Other Payables	28,758	31,216
	<u>180,615</u>	<u>153,180</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.

21 Capital Commitment

There was capital commitment at the end of the reporting year in respect of the purchase of renovation not provided for in the financial statements as follows:

	2023	2022
	SGD	SGD
Commitments on renovation	<u>-</u>	<u>185,628</u>

22 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:

	2023	2022
	SGD	SGD
<i>Rental payable</i>		
Not later than one year	532,944	599,092
later than five years	888,240	1,421,184
	<u>1,421,184</u>	<u>2,020,276</u>

23 Reserves Policy

	2023	2022
	SGD	SGD
Unrestricted fund	6,066,389	6,321,065
Restricted Fund	417,646	501,175
	<u>6,484,035</u>	<u>6,822,240</u>
Total Annual Operating Expenditure (excluding donation in kind)	<u>3,373,736</u>	<u>3,392,315</u>
Ratio of Reserves to Annual Operating Expenditure	<u>1.92</u>	<u>2.01</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.