

SUNSHINE INITIATIVE (SINGAPORE)
(Co. Reg. No. T14SS0189D)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 20**

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**SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)**

EXECUTIVE COMMITTEE

Name

Lee Yi Ting
Eunice Olsen
Raksha Kirpal Mahtani
Pavarne Shantti Sivalingam V M
Tan En

Position on Board

Honorary Secretary
Honorary Assistant Secretary
Board Member
Board Member
Board Member

Banker

United Overseas Bank Ltd

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

STATEMENT BY THE EXECUTIVE COMMITTEE

In the opinion of the Executive Committee, the accompanying financial statements are drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act"), so as to present fairly, in all material respects, the state of affairs of Sunshine Initiative (Singapore) ("Society") as at 31 December 2020 and the results, changes in funds and cash flows of the Society for the reporting year ended.

The Executive Committee approved and authorised these financial statements for issue.
On Behalf of the Executive Committee,



Tan En
Board Member

15 April 2021

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2020

	Note	2020 \$	Restated 2019 \$
<u>Income</u>			
Voluntary income			
- Donations (non-tax exempt)		126,245	56,438
- Government incentives		1,095	2,402
Income from charitable activities	4	194,946	40,380
Income for the financial year		321,191	99,220
<u>Expenses</u>			
Costs of generating voluntary income	5	640	–
Charitable activities	4	209,323	89,601
Employee benefit expenses	6	21,716	19,110
Governance costs	7	20,472	9,943
Total Expenses		251,056	118,654
Net Profit / (Loss) before tax		70,135	(19,434)
Tax expense	8	1,991	–
Net Profit / (Loss) after tax for the financial year		68,144	(19,434)
<u>Reconciliation of funds</u>			
Total funds at beginning of the year		7,550	26,984
Total funds at end of the year		75,694	7,550

The accompanying notes form an integral part of these unaudited financial statements.

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2020

	Note	Unrestricted Funds S\$	Restricted Funds S\$	Total S\$
Balance as at 1 January 2020		7,550	–	7,550
Profit / (Loss) for the year		104,104	(35,960)	68,144
Transfer to / (from) of funds		(35,960)	35,960	–
End of financial year		75,694	–	75,694
Balance as at 1 January 2019		26,984	–	26,984
Profit / (Loss) for the year		(19,434)	–	(19,434)
End of financial year		7,550	–	7,550

The accompanying notes form an integral part of these unaudited financial statements.

**SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)**

**STATEMENT OF FINANCIAL POSITION
As at 31 December 2020**

	Note	2020 \$	2019 \$
Current asset			
Other receivables	9	1,367	–
Deposits and prepayments	10	2,800	–
Cash and cash equivalents	11	73,518	7,550
Total assets		77,685	7,550
Funds and Liabilities			
Unrestricted Funds		75,694	7,550
Restricted Funds		–	–
Total Funds		75,694	7,550
Current Liabilities			
Tax payables	12	1,991	–
Total liabilities		1,991	–
Total Funds and Liabilities		77,685	7,550

The accompanying notes form an integral part of these unaudited financial statements.

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Net profit / (loss) before income tax	68,144	(19,434)
Operating cash flow before working capital change	68,144	(19,434)
Change in working capital:		
Receivables	(4,167)	–
Payables	1,991	–
Cash generated from/ (used in) operations	65,968	(19,434)
Tax refund/(paid)	–	–
Net cash from/(used in) operating activities	65,968	(19,434)
Cash flows from financing activity		
Dividends paid, representing net cash used in financing activity	–	–
Net decrease in cash and cash equivalents	65,968	(19,434)
Cash and cash equivalents at beginning of financial year	7,550	26,984
Cash and cash equivalents at end of financial year	73,518	7,550

The accompanying notes form an integral part of these unaudited financial statements.

**SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)**

**NOTES TO THE UNAUDITED 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 unaudited financial statements.

1 Corporate information

Sunshine Initiative (Singapore) (the “Society”) is incorporated in Singapore and registered under the Societies Act, Chapter 311. The financial statements are presented in Singapore dollars.

The executive committee approved and authorised these financial statements for issue on the date of statement by the executive committee.

The principal activities of the Society are to provide social, emotional and health services to people in the sex industry.

The registered office is: 43 Sixth Avenue, #02-03 Sixth Avenue Ville, Singapore 276484.

2 Summary of significant accounting policies

a) Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Singapore Financial Reporting Standard (“SFRS”) as issued by the Singapore Accounting Standards Council. The Society is also subject to the provisions of the Societies Act, Chapter 311 (the “Societies Act”).

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make 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 income and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, the management has made judgements in the process of applying the Society’s accounting policies. The areas requiring the management most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

b) Revenue recognition

Revenue including donations are recognised where there is entitlement, certainty and sufficient reliability of measurement.

(i) Donations

Donations are recognised as income when the Society has unconditioned entitlement to the receipts.

(ii) Income with related expenditure

Where income have related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the statement of financial activities.

(iii) Interest income

Interest income are recognised using effective interest method.

c) Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial activities as restricted fund.

d) Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

e) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised outside profit or loss or directly in equity in which the tax is also recognised outside profit or loss or directly in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the current financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or recoverable in respect of previous financial years.

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

f) Receivables

Receivables 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, 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 reporting period.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

2 Summary of significant accounting policies (cont'd)

g) Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction.

h) Payables

Payables excluding accruals shall be recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals shall be recognised at the best estimate of the amount payables.

j) Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

3 Critical accounting estimates, assumptions and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

4 Charitable Activities

	<u>Income</u>	<u>Expenses</u>
	\$	\$
2020		
Community Event and Empowerment	–	801
Sexual Health Programme	191,909	88,304
Merchandise	–	820
Education	3,038	122
Research	–	62
Casework	–	97,500
Other activities	–	21,714
	<hr/> 194,947	<hr/> 209,323
2019		
Community Event and Empowerment	3,166	2,367
Sexual Health Programme	31,816	55,553
Merchandise	260	382
Yoga	640	1,260
Education	–	2,383
Research	748	–
Casework	–	11,519
Speaking Fees	3,750	2,597
Other activities	–	13,540
	<hr/> 40,380	<hr/> 89,601

5 Cost of generating voluntary income

	2020	2019
	\$	\$
Online service fees	640	–
	<hr/> 640	<hr/> –

6 Employee benefits expense

	2020	2019
	\$	\$
Salaries and other employee benefits	13,742	15,087
Contributions to defined contribution plans	7,443	1,504
Other benefits	531	2,519
	<hr/> 21,716	<hr/> 19,110

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

7 Governance costs

	2020	2019
	\$	\$
Bank charges	50	96
General expenses	554	–
Insurance	482	–
IT expenses	1,403	2,441
Meals and entertainment	275	–
Office cleaning and supplies	926	–
Office stationeries	46	597
Professional fees	3,978	–
Rental	12,009	6,250
Relocation expenses	430	–
Utilities	260	23
Transport and travelling	58	536
	20,471	9,943

8 Tax expense

	2020	2019
	\$	\$
Tax expense attributable to profit is made up of:		
- Profit for the financial year		
Current income tax	1,991	–

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax due to the following factors:

	2020	2019
	\$	\$
Profit / (Loss) before tax	70,135	(19,434)
Tax calculated at a tax rate of 17% (2019: 17%)	11,923	(3,304)
Effects of:		
- Tax incentive	(4,169)	–
- Utilisation of unutilized tax losses	(5,763)	–
- Expenses not deductible for tax purposes	–	3,304
	1,991	–

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

9 Other receivables

	2020	2019
	\$	\$
Donations receivables	1,059	–
Other receivables – non-related parties	308	–
	1,367	–

10 Deposits and prepayments

	2020	2019
	\$	\$
Deposits	140	–
Prepayments	2,660	–
	2,800	–

11 Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank (Not restricted in use)	73,518	7,550

12 Tax payables

	2020	2019
	\$	\$
Tax payables	1,991	–
	1,991	–

SUNSHINE INITIATIVE (SINGAPORE)
(UEN NO: T14SS0189D)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

13 Operating lease payment commitments - as lessee

At the end of the reporting year, the total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	\$	\$
Not later than one year	20,000	35,500
Later than one year and not later than five years	–	20,000
	<hr/>	<hr/>
Rental expenses for the reporting year	30,000	25,000

Operating lease payments represent rentals payable for office premises. The leases for the premises have tenure of 2 years, with an option to renew the lease for further 1 year at a rent to be mutually agreed upon.

14 Prior year adjustment

In 2019, there were inconsistencies in classification of amounts under charitable and governance costs for rental and salaries expenses. Prior year adjustments are raised to restate these amounts.

	As previously reported	Amount restated	As restated
	\$	\$	\$
<i>Statement of income and accumulated profits for the financial year ended 31 December 2019</i>			
Charitable activities	11,234	78,367	89,601
Employee benefit expenses	78,787	(59,617)	19,110
Governance costs	28,693	(18,750)	9,943
	<hr/>	<hr/>	<hr/>

The balance sheet at 1 January 2020 is not affected by any errors.