

SUNSHINE INITIATIVE (SINGAPORE)

Registered in the Republic of Singapore

(UEN No: T14SS0189D)

(Registered Under the Societies Act, Cap 311)

**Financial Statements and Other Information
for the Financial Year ended 31 December 2019**

SUNSHINE INITIATIVE (SINGAPORE)
(UEN No: T14SS0189D)

EXECUTIVE COMMITTEE

<u>Name</u>	<u>Position on Board</u>
Dr. Alicia Altorfer-Ong	President
Pavarne Shantti Sivalingam V M	Vice-President
Raksha Kirpal Mahtani	Honorary Secretary
Albert Tan Tiong Heng	Honorary Treasurer
Lee Yi Ting	Committee Member
Tan En	Committee Member
Vanessa Ho	Designed Executive Member

Registered Office

93 Hindoo Road
Singapore 209127

Banker

United Overseas Bank Ltd

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**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 2019 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,

.....
Dr Alicia Altorfer-Ong
President

26 May 2020

.....
Albert Tan Tiong Heng
Honorary Treasurer

SUNSHINE INITIATIVE (SINGAPORE)
(UEN No: T14SS0189D)

Statement of Financial Activities
Year Ended 31 December 2019

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
<u>Income</u>			
Voluntary income			
- Donations (non-tax exempt)		56,438	15,477
- Government incentives		2,402	766
Income from charitable activities	4	<u>40,380</u>	<u>65,794</u>
Total income		<u>99,220</u>	<u>82,037</u>
<u>Expenditures</u>			
Charitable Activities	4	11,234	21,463
Employee benefit expense	5	78,727	62,589
Governance costs	6	<u>28,693</u>	<u>12,676</u>
Total expenditures		<u>118,654</u>	<u>96,728</u>
Net (deficit) before taxation		<u>(19,434)</u>	<u>(14,691)</u>
Taxation		-	(1,287)
Net (deficit) after taxation		<u>(19,434)</u>	<u>(15,978)</u>
<u>Reconciliation of funds</u>			
Total funds at beginning of the year		<u>26,984</u>	<u>42,962</u>
Total funds at end of the year		<u>7,550</u>	<u>26,984</u>

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

SUNSHINE INITIATIVE (SINGAPORE)
(UEN No: T14SS0189D)

Statement of Financial Position
31 December 2019

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment		-	-
Total non-current assets		<u>-</u>	<u>-</u>
<u>Current assets</u>			
Cash and cash equivalents	7	7,550	26,984
Total current assets		<u>7,550</u>	<u>26,984</u>
Total assets		<u>7,550</u>	<u>26,984</u>
<u>Current liabilities</u>			
Trade payables		-	-
Other liabilities, current		-	-
Total current liabilities		<u>-</u>	<u>-</u>
<u>Non-current liabilities</u>			
Other liabilities, non-current		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u>7,550</u>	<u>26,984</u>
<u>Unrestricted funds</u>			
Accumulated surplus		7,550	26,984
Total unrestricted funds		<u>7,550</u>	<u>26,984</u>
<u>Restricted funds</u>			
Restricted fund		-	-
Total restricted funds		<u>-</u>	<u>26,984</u>
Total funds		<u>7,550</u>	<u>26,984</u>

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

SUNSHINE INITIATIVE (SINGAPORE)
(UEN No: T14SS0189D)

Statement of Changes in Funds
31 December 2019

	Unrestricted fund S\$	Restricted fund S\$	Total funds S\$
Balance as at 1 January 2019	26,984	-	26,984
Net (deficit) for the year	(19,434)	-	(19,434)
Balance as at 31 December 2019	<u>7,550</u>	<u>-</u>	<u>7,550</u>
Balance as at 1 January 2018	42,962	-	42,962
Net (deficit) for the year	(15,978)	-	(15,978)
Balance as at 31 December 2018	<u>26,984</u>	<u>-</u>	<u>26,984</u>

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

SUNSHINE INITIATIVE (SINGAPORE)
(UEN No: T14SS0189D)

Statement of Cash Flows
31 December 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Net (deficit) before taxation	(19,434)	(14,691)
Adjustment for:		
Depreciation of plant and equipment	-	-
Operating cash flows before changes in working capital	(19,434)	(14,691)
Other receivables	-	-
Other assets	-	-
Trade payables	-	-
Tax paid	-	(1,287)
Net cash flows (used in) operating activities	<u>(19,434)</u>	<u>(15,978)</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	-	-
Proceeds from disposals of plant and equipment	-	-
Interest income received	-	-
Net cash flows used in investing activities	<u>-</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(19,434)	(15,978)
Cash and cash equivalents, statement of cash flows, beginning balance	26,984	42,962
Cash and cash equivalents, statement of cash flows, ending balance (Note 7)	<u>7,550</u>	<u>26,984</u>

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

SUNSHINE INITIATIVE (SINGAPORE)
(UEN No: T14SS0189D)

Notes to the Financial Statements
31 December 2019

1. General

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: 93, Hindoo Road, Singapore 209127.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Charities Accounting Standard (“CAS”) as issued by the Singapore Accounting Standards Council. The Society is also subject to the provisions of the Charities Act, Chapter 37.

Basis of preparation of the financial statements

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.

SUNSHINE INITIATIVE (SINGAPORE)
(UEN No: T14SS0189D)

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Income 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.

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.

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.

Income tax

As an approved charity under the Charities Act, Cap. 37, the Society is exempted from income tax under section 13(1)(zm) of the Income Tax Act, Cap. 134.

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2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets over their estimated useful lives of each part of an item of these assets. The useful lives of the assets are as follows:

Furniture and fittings	3 years
Office equipment	3 years
Computer	1 year
Renovation	3 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in statement of financial activities. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of financial activities when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 16 on non-current provisions.

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.

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

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the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in statement of financial activities as an integral part of the total lease expense.

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.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the statement of financial activities in the reporting year they occur.

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.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There

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were no 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 reporting year.

3. Related party relationships and transactions

CAS defines a related party as the office bearers and key committee of the Society.

All committee members, chairman of sub-committees and staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The executive committee who performed their board responsibilities did not receive remuneration, or other benefits, from the company for board services which they are responsible.

3A. Key management compensation:

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and other short-term employee benefits	<u>78,727</u>	<u>62,589</u>

There are no paid staff who are close members of the family of the Society, and whose remuneration each exceeds \$50,000 during the year. Key management personnel include directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly.

4. Charitable Activities

	<u>Income</u>	<u>Expenses</u>
	\$	\$
2019		
Community events	3,166	2,367
Sexual Outreach Services	31,816	2,245
Merchandise	260	382
Yoga	640	1,260
Education	-	2,383
Research	748	-
Speaking fees	3,750	2,597
	<u>40,380</u>	<u>11,234</u>
2018		
Community events	-	-
Sexual Outreach Services	37,025	3,868
Merchandise	1,386	-
Yoga	515	1,200
Education	25,130	15,114
Research	1,000	1,237
Speaking fees	738	44
	<u>65,794</u>	<u>21,463</u>

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5. Employee benefits expense

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and other employee benefits	61,164	50,249
Contributions to defined contribution plan	15,044	11,270
Other benefits	2,519	1,070
Total employee benefits expense	<u>78,727</u>	<u>62,589</u>

6. Governance Costs

	<u>2019</u>	<u>2018</u>
	\$	\$
Bank charges	96	6
Office stationery	597	440
Rental	25,000	12,000
Utilities	23	-
Transport and travelling	536	230
Website	2,441	-
	<u>28,693</u>	<u>12,676</u>

7. Cash and cash equivalents

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash and bank balances (Not restricted in use)	7,550	26,984
Total	<u>7,550</u>	<u>26,984</u>

8. 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:

	<u>2019</u>	<u>2018</u>
	\$	\$
Not later than one year	35,500	23,200
Later than one year and not later than five years	<u>20,000</u>	<u>55,500</u>
Rental expense for the reporting year	<u>25,000</u>	<u>12,000</u>

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.