

ANNUAL REPORT

Our First Year in Review



ECCA FAMILY FOUNDATION LTD.

ECCA FAMILY FOUNDATION LTD.

August 17 - December 31, 2020

ECCA FAMILY
FOUNDATION



ABOUT THE FOUNDATION

Established in 2020, ECCA Family Foundation was set up by Christian Algot Enevoldsen and his family to support meaningful projects and inspire social change.

Driven by Christian's vision as a philanthropist and his commitment to creating lasting and positive impact for future generations, the Foundation takes a pragmatic and hands-on approach towards building networks and partnerships that add value to the communities in Thailand, Denmark, Singapore and broader Southeast Asia.

Ultimately, what ECCA Family Foundation wants is to create deep and transformative change for the individuals and communities its partnerships support so that they can, in turn, improve their lives.



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A letter from Christian Algot Enevoldsen

Authenticity, purpose, and drive form the basis of all great dreams – and with adequate support, those dreams can become a reality.

It is with that belief that my family and I created the ECCA Family Foundation, an organization that supports transformative experiences through solid partnerships and projects in Thailand, Denmark, Singapore and broader Southeast Asia.

Learning, partnering, and adjusting to change are hallmarks of our Foundation – and this year, those values were put to the test. As the world battled a global pandemic, we focused on providing immediate support to non-profits that work with COVID-impacted communities, even prior to establishing ECCA Family Foundation. With that support, at-risk families are receiving critical supplies and support during the pandemic.

This year, the Foundation also granted scholarships for photojournalism students, supported a social enterprise aimed at removing plastic from the world's seas, and worked to boost Thailand's waste management innovation ecosystem via the Incubation Network.

This report marks our first official year as a Foundation, but we aim for long-term impact. I come from a family of entrepreneurs and I believe lessons on the value of partnerships, access to highly-skilled resources and risk-tolerant capital equally apply to civil society partners. This understanding is carried over to the work of ECCA Family Foundation. In that vein, I aim to make The ECCA Family Foundation my legacy for future generations to make significant impact on the world.

I intend for my children to take on more active roles in the Foundation after the world opens up by visiting project sites and learning directly from local leaders on how they navigate challenges, uncertainty and success. I hope that through this involvement, they will be inspired to use their privilege positively to benefit others in the future.

Our journey is just beginning. As rookies to the field, we realize we don't have all the answers, and thus look forward to learning alongside our partners and communities to become even better at what we do. We live in a time of great uncertainty – but also great opportunity. My goal is to continue leading the ECCA Family Foundation in supporting authentic, purposeful, and impactful people and projects worldwide for many years to come before passing the torch to my children.

Christian Algot Enevoldsen

Visit to Sanephong School



The students performing a "Karen" folk song.



The school building



Building art work



Morning coffee, teachers' special



The relaxing spot

These pictures were taken by Christian during a visit to Sanephong and the Thung Yai school, which is supported directly by Christian Algot Enevoldsen and his family.

THE ECCA SNAPSHOT

OUR FOCUS AREAS

Environment

Preserving global ecosystems and biodiversity through innovation

Education

Providing learning opportunities for vulnerable communities

Community

Creating meaningful connections and shared experiences

Sport, Culture, and Creativity

Supporting creative and natural self-expression

HOW WE WORK



Partnership-based

Eager to learn alongside others and collaborate to increase impact.



Innovative

Constantly searching for new technology, methods, and tools that help us do better.



Pragmatic

Having an open mind and using a unique approach based on each project's needs.



Curious

Fostering a "sandbox" approach of testing and trying.

OUR FOOTPRINTS



SGD \$2.75M

committed in 2020

Thailand, Denmark and Singapore



OUR 2020 COMMITMENTS

DMJX Danmarks Medie- og Journalisthøjskole DMJX Scholarship program	SGD\$ 30,000
 Seven Clean Seas	SGD\$ 75,000
 The Incubation Network	SGD\$ 2,650,000
Total:	SGD\$ 2,755,000

SUSTAINABLE DEVELOPMENT GOALS SUPPORTED BY OUR WORK



Mastering the craft: Scholarships for photojournalism

In 2020, the ECCA Family Foundation provided scholarships for photojournalism students to attend the Danish School of Media and Journalism (DMJX). An avid photographer himself, Christian is passionate about giving others the opportunity to deepen their art, explore their creativity and break new ground as artists.

Each year, DMJX's photojournalism program accepts less than 10 photojournalism students. This year, ECCA Family Foundation provided funding for two international students who may not have otherwise had the chance at a formal education, to take advantage of DMJX's world-renowned photojournalism program.

About the students



FATEMAH BEHBOUDI

Fatemah has won several awards for her work and has been featured in Iranian news services and international showcases.

"I have been a news photographer in the Iranian media for many years. Since I did not go to university and there was no scientific and professional environment for learning photography in my country, I have always learned it myself. . . Until this year. I was able to receive the first scholarship and experience for the first time the chance to be present and live in a professional community and see unique masters."

– Fatemah Behboudi



Photos by Fatemah Behboudi



KHASHAYAR JAVANMARDI

Khashayar Javanmardi (Kjavanmardi) is an Iranian documentary photographer. His work ranges from stories of social efforts to portraits and essay projects on self-experimental topics. He was recognized with the Iranian Emerging Talented Photographer of the Year award for three consecutive years.

“This scholarship was an important point in my life and I’m so happy that I’m trying to work and study here. ‘DMJX is one of the best in the world’ isn’t just what I say, it is what I heard from other photojournalists from USA, Asia, and many others from different regions.

And I too believe it is one of the best in the world . . . Here I noticed that stories are the most important tool for communication through human beings.”

- Khashayar Javanmardi



Photos by Khashayar Javanmardi

Plastic-free oceans: Supporting Seven Clean Seas (SCS)

Seven Clean Seas is an ocean clean-up social enterprise that works to prevent pollution in the world's seas. To date, they have pulled more than 150,000kg (246,900 pounds) of plastic out of the sea. Thanks to support from the ECCA Family Foundation, the SCS team is expanding.

SCS aims to support people and the planet simultaneously through "plastic offsetting," which allows companies to purchase "plastic credits" to offset their plastic consumption against the physical recovery of waste plastic from the natural environment. The objective is to build a scalable funding mechanism that mobilizes private capital for ocean/river clean-up and waste management infrastructure in rural and island communities. SCS believes that this will empower local communities to become stewards of the environment and tackle poverty through job creation and fair wage access.

The ECCA Family Foundation supported SCS with:

- **An early-stage capacity-building grant** to build a bigger, stronger team
- **Strategic advisory** on issues relating to legal structure, strategy, and business modelling.

With ECCA Family Foundation's support, SCS could scale up marine plastic recovery activities and waste management projects in Bintan, Indonesia, where they recovered more than 100,000kg of ocean plastic. SCS also overcame their largest commercial bottleneck when they hired a new business development executive and unlocked recurrent revenue opportunities that helped them grow.

"It's rare to find a partner who not only believes passionately in the mission, but who genuinely wants to come on the journey too. ECCA Family Foundation is that partner for Seven Clean Seas and we consider ourselves very fortunate to have them along for the ride."

– SCS Founder Tom Peacock-Nazil



The Incubation Network: Building systems to combat marine plastic pollution

The ECCA Family Foundation is proud to support The Incubation Network, an organization that builds multi-sectoral ecosystems and infrastructure for entrepreneurs and social enterprises looking to address plastic leakage. Today, plastic pollution is closely related to commercial production and consumption. For that reason, we believe that part of the solution to plastic pollution must be accelerated from new ventures with a strong purpose and a business-driven mindset.

The Incubation Network is a connected network of innovators, investors, civil society organizations, and government leaders across key South and Southeast Asian countries. Collectively, these innovators will design and deliver programs that drive investment, innovation, and partnerships for inclusive and gender-responsive waste management and circular economy solutions.

The ECCA Family Foundation committed to USD \$2 million to boost The Incubation Network's innovation and waste management system in Thailand for the next three years. Recognizing the unique role of entrepreneurship in tackling complex problems, ECCA Family Foundation committed to this long-term strategic partnership with The Incubation Network to catalyze action and investment in the circular economy and prevent the flow of plastic waste into the world's oceans.

"We strongly believe in The Incubation Network's innovative approach towards reducing leakage of plastic into the oceans, improving livelihoods of people working with waste, and ultimately supporting transitions towards circular economies, inclusive markets, and resilient cities."

– Christian Algot Enevoldsen, Founder and Chairman of ECCA Family Foundation





What the future holds

In the coming years, the Foundation will continue to work closely with its existing partners to provide strategy and capacity-building support towards program implementation.

ECCA Family Foundation also looks forward to further expanding its current portfolio to include new partners working to preserve global ecosystems, provide access to education and opportunities, and empower others to create stronger and more resilient communities.

Corporate information

ECCA Family Foundation LTD.

Company registration number	: 20204423G
Incorporation Date	: 17 August 2020
Company Type	: Public Company Limited by Guarantee
Audit Firm	: Nexia TS Public Accounting Corporation
Bank	: DBS Bank Ltd.

Management

Chairman & Director	: Christian Algot Enevoldsen
Vice-Chairman & Director	: Martin Hoyer-Hansen
Director	: Mette Ekeroth
Director & Secretary	: Nurulhuda Binte Mohamad Sa'ad

Mission

Our foundation seeks to pioneer innovative approaches, provide support, and build partnerships for holistic solutions to protect the environment, create access to meaningful opportunities, and empower vulnerable individuals and communities to flourish.

Vision

To build a more sustainable world, to create access to meaningful opportunities, and to empower individuals and communities to build strong and resilient communities.

Values

Eager to contribute – We believe in the value of contributing to the lives of others and to our shared planet. We find motivation in pursuing our ambition to make a positive difference in the world.

Honest – We are dependable, and we believe in transparency and openness, even when our work gets difficult.

Authentic and sincere – We aim to be ourselves, without façades or pretence. What you see is what you get.

Purpose-driven – It is a transformative experience to discover a purpose. ECCA Family Foundation is built on that experience: to fulfil our purpose of a positive impact on our chosen focus areas. This ambition sets the direction for our work and drives us forward.

Humble – We are new to this field and we are here to learn. New approaches emerge and new opportunities present themselves. By recognizing that we do not have all the answers – not even close – we are able to take advantage of recent advances.

Corporate governance and compliance

A Board of Directors (the "Board") manages the Foundation. Directors are appointed in accordance with the Foundation's constitution.

The Board of Directors ensure:

- **Compliance** – The Foundation must comply with its constitution and all relevant laws and regulations.
- **Management** – The Foundation must be managed ethically and responsibly.
- **Credibility** – The Foundation must be effective, credible and sustainable.
- **Success** – The Foundation should fulfill its objectives.

The Board is required to use independent judgement and act in the best interest of the Foundation.

Board meetings

The Board conducts regular video calls, where meetings consists of one or more of the following:

- Approval of the annual report and financial statements
- Approval of corporate strategy
- Approval of grant proposals
- Convening of members' meetings
- Any other matters that the board considers necessary

Meetings and attendance for the 2020 calendar year were:

Name of Director	Board Meeting Attendance
Mr Christian Algot Enevoldsen	2/2
Mr Martin Hoyer-Hansen	2/2
Ms Mette Ekerøth	2/2
Ms Nurulhuda Binte Mohamad Sa'ad	2/2



Financial Management and Controls

The Foundation is compliant with all applicable laws and regulations and ensures that resources are used legitimately and accounted for.

The Foundation will implement:

- Grant application forms
- Internal due diligence processes
- Grant agreements for grants to external parties
- Internal financial controls, including procurement, receipts, payments, delegation of authority and limits of approval

The Board will:

- Conduct reviews of the Foundation's controls, processes, key programs and events
- Approve and regularly monitor expenditures
- Review financial statements, with analysis and explanations given for significant differences
- Ensure the Foundation maintains a fixed asset register, if required
- Ensure that any assets are adequately insured.

Reserves, Investments and Loans

The Foundation's reserve is the balance of the donation(s) for payment of the Foundation's operating expenses. The Foundation did not and will not invest its reserve. The Foundation is registered as a grantor.

The Board will donate all funds received and has or will pass on all donations to the assigned charitable organization. The Foundation does not approve any loans to any director, employee or other parties. The Foundation does not receive loans for any purpose or tenure.

Disclosure and Transparency

The Foundation will be transparent and accountable in its operations. Board members are not remunerated for their services to the Board.

Human Resource Management

As of December 31, 2020, the Foundation does not have any employees. The company secretary carries out all administrative work, and employees of North-East Family Office Pte. Ltd. carry out all finance-related work.

Conflicts of Interest

The Board is required to act in the best interest of the Foundation. If a conflict of interest arises at a Board meeting, the Board member concerned must not vote on the matter nor participate in discussions. A complete and transparent recording of all relevant matters should be recorded in meeting minutes.

Funding Sources

For several years, Christian Algot Enevoldsen and his family have been providing support for individuals and organizations that match their family's values. In 2020, the family strengthened their philanthropic efforts by creating The ECCA Family Foundation. The ECCA Family Trust endows the Foundation.





FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

FINANCIAL STATEMENTS

For the financial period from 17 August 2020 (date of incorporation) to 31 December 2020

Directors' Statement

The directors present their statement to the members of ECCA Family Foundation Ltd. (the "Foundation") together with the audited financial statements for the financial period from August 17, 2020 (date of incorporation) to December 31, 2020.

In the opinion of the directors,

- the financial statements as set out on pages 6 to 17 are drawn up so as to give a true and fair view of the financial position of the Foundation as at December 31, 2020, and the financial activities, changes in fund account and cash flows of the Foundation for the financial period from August 17, 2020 (date of incorporation) to December 31, 2020; and
- at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

Directors

The directors of the Foundation in office at the date of this statement are as follows:

Christian Algot Enevoldsen	(appointed on August 17, 2020)
Martin Hoyer-Hansen	(appointed on August 17, 2020)
Mette Ekeroth	(appointed on August 17, 2020)
Nurulhuda Binte Mohamad Sa'ad	(appointed on August 17, 2020)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

The Foundation is a company limited by guarantee and has no nor issuance of share capital and debentures.

Share options

The Foundation is a company limited by guarantee and has no share capital and therefore has no share options or unissued ordinary shares.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

June 21, 2021

Christian Algot Enevoldsen
Director

Mette Ekeroth
Director

Martin Hoyer-Hansen
Director

Nurulhuda Binte Mohamad Sa'ad
Director

Independent Auditor's Report to the Members of ECCA Family Foundation Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ECCA Family Foundation Ltd. (the "Foundation"), which comprise the balance sheet as at 31 December 2020, and the statement of financial activities, statement of changes in fund and statement of cash flows for the financial period from 17 August 2020 (date of incorporation) to 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 25 to 38.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Foundation as at 31 December 2020 and of the financial performance, changes in funds and cash flows for the financial period from 17 August 2020 (date of incorporation) to 31 December 2020.

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 Foundation 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 the other information. The other information comprises the Directors' Statement set out on page 21.

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.

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 Act, Charities Act and Regulations and FRSs, 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 Foundation's ability to continue as a 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 Foundation or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Foundation'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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Foundation'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 Foundation 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 Foundation have been properly kept in accordance with the provisions of these Act and the Charities Act and Regulations.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
June 21, 2021

Balance Sheet

as at 31 December 2020

	Note	2020 \$
ASSETS		
Current assets		
Bank balance		1,943,600
LIABILITIES		
Current liabilities		
Other payables	3	813,013
NET ASSETS		1,130,587
FUND		
Unrestricted funds		1,130,587
Total fund		1,130,587

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

Statement of Financial Activities

	Note	For the financial period from 17 August 2020 (date of incorporation) to 31 December 2020 \$
Income		
- Donation	4	2,011,787
Expenditures		
- Communications		(52,488)
- Net currency exchange losses		(26,890)
- Legal and profession fees		(20,752)
- Others		(4,280)
Cost of charitable activities (grant disbursements)		
- DMJX Scholarship program		(29,143)
- The Incubation Network		(747,647)
Surplus before income tax		1,130,587
Income tax expense	5	-
Net surplus for the financial period		1,130,587

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

Statement of Changes in Fund

	Total unrestricted fund \$
At 17 August 2020 (date of incorporation)	-
Net surplus for the financial period	1,130,587
End of financial period	1,130,587

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

Statement of Cash Flows

	For the financial period from 17 August 2020 (date of incorporation) to 31 December 2020 \$
Cash flows from operating activities	
Net surplus for the financial period	1,130,587
Change in working capital:	
– Other payables	813,013
Net cash provided by operating activities/net increase in bank balance	1,943,600
Bank balance	
Date of incorporation	–
End of financial period	1,943,600

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



Notes to the Financial Statements

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

1. General information

ECCA Family Foundation Ltd. (the "Foundation") is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at North-East, 52B Tras Street, Singapore 078991.

The principal activities of the Foundation are to preserve global ecosystems, provide access to education and meaningful opportunities, and empower individuals to contribute to strong and resilient communities.

Coronavirus (COVID-19) Impact

On 30 January 2020, the World Health Organisation declared the COVID-19 outbreak a Public Health Emergency of International Concern. The outbreak was subsequently characterised as a pandemic on 11 March 2020.

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by various governments. There is no significant impact of COVID-19 on the Foundation's financial performance for the financial period from 17 August 2020 (date of incorporation) to 31 December 2020. The Foundation has assessed that the going concern basis of preparation for this set of financial statements remains appropriate as disclose in Note 2.1 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared on a going concern basis and in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with provisions of the Singapore Companies Act, Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Foundation's accounting policies. It also requires the use of certain critical accounting estimate and assumption. There are no areas involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements.

Interpretations and amendments to published standards effective in 2020

On 17 August 2020, the Foundation adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial period. Changes to the Foundation's accounting policies have

been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Foundation and had no material effect on the amounts reported for the current financial period.

2.2 Bank balance

Bank balance include deposits with financial institutions which are subject to an insignificant risk of changes in value.

2.3 Financial assets

(a) Classification and measurement

The Foundation classifies its financial assets as amortised cost.

The classification of debt instruments depends on the Foundation's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Foundation reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Foundation measures financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments mainly comprise of bank balance.

Subsequent measurement of debt instruments depends on the Foundation's business model for managing the asset and the contractual cash flow characteristics of the asset:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Foundation assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since the initial recognition.

For the bank balance, the general 3 stage approach is applied.

Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Foundation commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in statement of income and expenditure and other comprehensive income.

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.5 Other payables

Other payables represent liabilities for goods and services provided to the Foundation prior to the end of the financial period which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.6 Provisions

Provisions for expenses are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.7 Income recognition

Donation and other charitable contributions are recognised when there is entitlement and the amount of income can be reliably measured. It is probable that the collectability of the related receivables is reasonably measured and when the specific criteria for each of the Foundation's activities are met. Such revenue is deferred when: the donor specifies that the donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Foundation has unconditional entitlement.

- (a) *Donation*
Cash donation is recognised as income at a point in time when cash is received. Donations received for specific purposes are credited directly to the specific or designated funds or treated as deferred income until the related costs they are intended to compensate are incurred.

Donations-in-kind are recognised when the fair value of the assets received can be measured reliably and there is no uncertainty that it will be receivable.

- (b) *Other income*
Other income is recognised at a point in time when received.

2.8 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Foundation measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss.

2.9 Currency translation

- (a) *Functional and presentation currency*
Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Foundation.

- (b) *Transactions and balances*
Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences

resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.10 Funds

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the financial statements of the Foundation are maintained substantively in accordance with the principles of "Fund accounting", whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

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 the Governing Board 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.

2.11 Fund and reserve management

The management's objective is to maintain an optimal balance in the accumulated funds to support the continuity of the activities of the Foundation and for future developments of the Foundation. The management monitors the level of the funds for working capital flexibility.

3. Other payables

	2020 \$
Other payables	
- Non-related party	747,890
- Related company	55,622
	803,512
Accrual for operating expenses	9,501
	813,013

The other payables to related party are unsecured, interest free and repayable on demand.

4. Income

	2020 \$
Donations from a director	2,011,787

5. Income tax

There is no income tax expense for the financial period from 17 August 2020 (date of incorporation) to 31 December 2020 (the "financial period") because the Foundation did not derive any taxable profit during the financial period.

The tax on the Foundation's surplus before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2020 \$
Surplus before income tax	1,130,587
Tax calculated at a tax rate of 17%	192,200
Effects of:	
-income not subject to tax	(342,004)
-expense not deductible for tax purposes	149,804
	-

6. Financial risk management

The Foundation's activities expose it to market risk (including currency risk, price risk, and cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Foundation's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Foundation's financial performance. The financial risk management of the Foundation is managed by the Board of Directors.

The Board of Directors is responsible for setting the objective and underlying principles of financial risk management for the Foundation and this includes establishing the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limit.

(a) Market risk

(i) Currency risks

The Foundation is exposed to currency risk. Currency risk arises within

the entity when transactions are denominated in foreign currencies such as United States Dollar ("USD") and Danish Krone ("DKK").

The Foundation's foreign currency exposure based on information provided to key management is as follows:

2020	SGD \$	USD \$	DKK \$	Total \$
Financial assets				
Bank balance	-	1,943,600	-	1,943,600
Financial liabilities				
Other payables	(63,112)	(747,890)	(2,011)	(813,013)
Net financial (liabilities)/assets	(63,112)	1,195,710	(2,011)	1,130,587
Currency exposure	-	1,195,710	(2,011)	1,193,698

If the USD and DKK change against the SGD by 8% and 4% respectively, with all other variables including tax rate held constant, the effects arising from the net financial asset/liabilities position will be as follows:

	Increase/ (decrease) 2020 \$
USD against SGD	
- Strengthened	79,395
- Weakened	(79,395)
DKK against SGD	
- Strengthened	(67)
- Weakened	67

(ii) *Price risk*

The Foundation does not have exposure to equity price risk as it does not hold equity financial assets.

(iii) *Cash flow and fair value interest rate risks*

The Foundation has insignificant financial assets or liabilities that are exposed to interest rate risk.

(b) *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Foundation.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Foundation's maximum exposure to credit risk.

The Foundation's financial asset comprises bank balance which is placed with reputable financial institutions and subject to immaterial credit loss.

(c) *Liquidity risk*

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as and when they fall due. The Foundation's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or rising damage to the Foundation's reputation.

The Foundation's financial liabilities as presented on balance sheet are all due within 12 months from the balance sheet date and approximate its contractual undiscounted payments.

(d) *Fund Management*

The Board's policy is to maintain sufficient funds so as to sustain future activities of the Foundation. There were no changes in the Foundation's approach to reserve management during the financial period from 17 August 2020 (date of incorporation) to 31 December 2020.

The Foundation is not subject to externally imposed capital requirements for the financial period from 17 August 2020 (date of incorporation) to 31 December 2020.

(e) *Fair value measurement*

The carrying amounts of current financial assets and liabilities approximate their respective fair values.

(f) *Financial instruments by category*

	2020 \$
Financial assets at amortised cost	1,943,600
Financial liabilities at amortised cost	813,013

7. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Foundation and the related party at terms agreed between the parties:

(a) Income and expenditures

	2020 \$
Director	
- Donations	2,011,787
Related party	
- Consultancy fee	(4,015)

Outstanding balances as at 31 December 2020 are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Note 3 to the financial statements.

(b) Key management personnel compensation

There were no key management personnel compensation paid to the directors and key management personnel during the financial period from 17 August 2020 (date of incorporation) to 31 December 2020.

8. New or revised accounting standards

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2021. The Foundation does not expect that adoption of these accounting standards or interpretations will have a material impact on the Foundation's financial statements.

9. Comparative figures

There were no comparative figures as this being the first set of financial statements since the date of incorporation.

10. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of ECCA Family Foundation Ltd. on 21 June 2021.



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