HOME NURSING FOUNDATION
家护基金

All...

ANNUAL REPORT
2017/18

Financial Statements

FINANCIAL STATEMENTS

Home Nursing Foundation (Established under the Societies Act, Chapter 311 and Charities Act, Chapter 37)

FOUNDATION INFORMATION

Foundation Registration Number	152/76	
	S344/82	
Registered Office	93 Toa Payoh Central Toa Payoh Central Community Building #07-01 Singapore 319194	
Board of Management	Ms Priscylla Shaw	President
	Mr Lim Neo Chian	Vice President
	Mr Tan Shong Ye	Secretary
	Mrs Tan Fong May	Treasurer
	Ms Joyce Ang	Board Member
	A/Prof Chow Yeow Leng	Board Member
	Mr Ng Wai King	Board Member
	Ms Aileen Tan	Board Member
	Ms Goh Shuet-Li	Board Member
	Mrs Deby Saroujiuy Pala Krishnan	Board Member
	Ms Belinda Ng	Co-opted Board Member
	Ms Lilian Tham	Co-opted Board Member
	Ms Charmaine Chow	Co-opted Board Member
	Prof Peter Lim	Board Advisor
Bankers	Oversea-Chinese Banking Corporation Limited	
Independent auditor	RSM Chio Lim LLP 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095	
	Partner in-charge:	Chan Sek Wai

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STATEMENT BY EXECUTIVE COMMITTEE

In the opinion of the Executive Committee,

(a) the accompanying financial statements of Home Nursing Foundation (the Foundation) are drawn up in accordance with the Societies Act, Chapter 311 (the Societies Act) and the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and Financial Reporting Standards in Singapore (FRSs), so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 March 2018 and the results, changes in funds and cash flows of the Foundation for the reporting year ended.

(b) 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.

The Executive Committee approved and authorised these financial statements for issue.

On behalf of the Executive Committee

Lim Neo Chian
Vice President

Lee Fong May
Treasurer

2 July 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME NURSING FOUNDATION

Report on the audit of financial statements

OPINION

We have audited the accompanying financial statements of Home Nursing Foundation (the "Foundation"), which comprise the statement of financial position as at 31 March 2018, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 March 2018 and of the financial activities, changes in funds and cash flows of the Foundation 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 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 information included in the statement by executive committee and the annual report but does not include the financial statements and our auditor's report thereon.

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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the management and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME NURSING FOUNDATION (CONT'D)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Those charged with governance are responsible for 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:

a) 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.

b) 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.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME NURSING FOUNDATION (CONT'D)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

d) 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.

e) 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 those charged with governance 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.

We also provide the executive committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion:

(a) The accounting and other records required to be kept by the Foundation have been properly kept in accordance with the provision of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

(b) The fund-raising appeals held during the reporting year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME NURSING FOUNDATION (CONT'D)

Report on other legal and regulatory requirements (Cont'd)

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

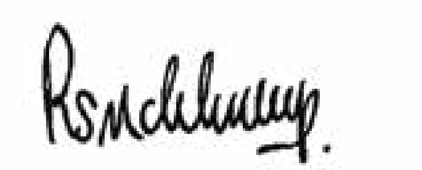
(a) The Foundation has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) The Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

OTHER MATTERS

The financial statements for the reporting year ended 31 March 2017 were audited by other independent auditor whose report dated 29 June 2017 expressed an unqualified opinion on those financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants

Singapore

2 July 2018

Engagement partner – effective from reporting year ended 31 March 2018.

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2018

2018	Notes	UNRESTRICTED General Operating Fund $	Fair Value Reserve $	Expendable Endowment Fund $
Incoming resources:				
Income resources from generated funds				
Government subvention and other subsidies		2,758,250	–	–
General donations	4 (i)	913,402	–	–
Fund raising projects	4 (ii)	1,594,765	–	–
Community programmes	4 (iii)	10,000	–	–
Service fees	5	1,008,371	–	–
Other income				
Interest income:	6			
- Cash at bank and fixed deposits		7,781	–	–
- Investment securities		496,674	–	–
Less: Allocation from/(to) various funds		(394,573)	–	333,342
		109,882	–	333,342
Other income				
Membership subscription		1,094	–	–
Amortisation of deferred capital grant and asset donations	19 B	388,968	–	–
Miscellaneous income		32,019	–	–
Total incoming resources		6,816,751	–	333,342

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

		RESTRICTED			
Sub-Total	Specific Fund - Corporate Adoption	Restricted Funds	Sub-Total		Total
$	$	$	$		$
2,758,250	–	–	–		2,758,250
913,402	–	37,900	37,900		951,302
1,594,765	–	1,830	1,830		1,596,595
10,000	–	–	–		10,000
1,008,371	–	(53,909)	(53,909)		954,462
7,781	–	–	–		7,781
496,674	–	–	–		496,674
(61,231)	61,231	–	61,231		–
443,224	61,231	–	61,231		504,455
1,094	–	–	–		1,094
388,968	–	–	–		388,968
32,019	–	–	–		32,019
7,150,093	61,231	(14,179)	47,052		7,197,145

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2018

		UNRESTRICTED		
2018	Notes	General Operating Fund	Fair Value Reserve	Expendable Endowment Fund
		$	$	$
Resources expended:				
Employee benefits expense:	7			
- wages and salaries		5,100,075	–	–
- contributions to defined contribution plans		826,643	–	–
- other benefits		321,871	–	–
Fund raising projects		244,922	–	–
Transports		253,962	–	–
Supplies and materials		1,501,205	–	–
Community networking and volunteer management		857	–	–
Rental/operating lease expense		91,628	–	–
Maintenance fees:				
- vehicles		6,174	–	–
- equipment		9,375	–	–
- building		137,823	–	–
Administration expenses		486,853	–	–
Contract services		1,384,258	–	–
Depreciation of property, plant and equipment	10	218,625	–	–
Amortisation of intangible assets	11	220,169	–	–
General publicity		86,957	–	–
Goods and services tax		222,872	–	–
Total resources expended		11,114,269	–	–
Deficit of income over expenditure for the year before grants from Government		(4,297,518)	–	333,342
Government operating grants		6,202,709	–	–
Excess of income over expenditure for the year		1,905,191	–	333,342
Other comprehensive income				
Available-for-sale financial assets		–	72,624	–
Total comprehensive income for the year		1,905,191	72,624	333,342

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

	RESTRICTED			
Sub-total	Specific Fund – Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
5,100,075	–	–	–	5,100,075
826,643	–	–	–	826,643
321,871	–	–	–	321,871
244,922	–	530	530	245,452
253,962	–	–	–	253,962
1,501,205	–	–	–	1,501,205
857	–	–	–	857
91,628	–	–	–	91,628
6,174	–	–	–	6,174
9,375	–	–	–	9,375
137,823	–	–	–	137,823
486,853	–	–	–	486,853
1,384,258	–	–	–	1,384,258
218,625	–	–	–	218,625
220,169	–	–	–	220,169
86,957	–	4,815	4,815	91,772
222,872	–	4,143	4,143	227,015
11,114,269	–	9,488	9,488	11,123,757
(3,964,176)	61,231	(23,667)	37,564	(3,926,612)
6,202,709	–	–	–	6,202,709
2,238,533	61,231	(23,667)	37,564	2,276,097
72,624	–	–	–	72,624
2,311,157	61,231	(23,667)	37,564	2,348,721

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2018

	UNRESTRICTED			
2018	General Operating Fund	Fair Value Reserve	Expendable Endowment Fund	Sub-total
	$	$	$	$
Total comprehensive income for the year	1,905,191	72,624	333,342	2,311,157
Transfer of funds	(805,358)	–	805,358	–
Balance as at 1 April 2017	5,808,729	112,094	17,621,520	23,542,343
Balance as at 31 March 2018	6,908,562	184,718	18,760,220	25,853,500

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

RESTRICTED			
Specific Fund – Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$
61,231	(23,667)	37,564	2,348,721
–	(120,000)	(120,000)	(120,000)
3,236,847	225,185	3,462,032	27,004,375
3,298,078	81,518	3,379,596	29,233,096

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2018

		UNRESTRICTED		
2017	Notes	General Operating Fund	Fair Value Reserve	Expendable Endowment Fund
		$	$	$
Incoming resources:				
Income resources from generated funds				
Government subvention and other subsidies		2,417,389	–	–
General donations	4 (i)	840,876	–	–
Fund raising projects	4 (ii)	1,258,482	–	–
Community programmes	4 (iii)	178,134	–	–
Service fees	5	1,096,253	–	–
Other income				
Interest income:	6			
- Cash at bank and fixed deposits		6,638	–	–
- Investment securities		497,573	–	–
Less: Allocation from/(to) various funds		(414,869)	–	351,425
		89,342	–	351,425
Other income				
Membership subscription		1,056	–	–
Amortisation of deferred capital grant and asset donations	19 B	148,728	–	–
Miscellaneous income		10,367	–	–
Total incoming resources		6,040,627	–	351,425

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

		RESTRICTED			
Home Therapy Fund	Sub-total	Specific Fund – Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$	$
–	2,417,389	–	–	–	2,417,389
–	840,876	–	236,958	236,958	1,077,834
–	1,258,482	–	–	–	1,258,482
–	178,134	–	–	–	178,134
–	1,096,253	–	(65,482)	(65,482)	1,030,771
–	6,638	–	–	–	6,638
–	497,573	–	–	–	497,573
–	(63,444)	63,444	–	63,444	–
–	440,767	63,444	–	63,444	504,211
–	1,056	–	–	–	1,056
–	148,728	–	–	–	148,728
–	10,367	–	–	–	10,367
–	6,392,052	63,444	171,476	234,920	6,626,972

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2018

2017	Notes	General Operating Fund $	Fair Value Reserve $	Expendable Endowment Fund $
		UNRESTRICTED		
Resources expended:				
Employee benefits expense:	7			
- wages and salaries		5,248,754	–	–
- contributions to defined contribution plans		831,574	–	–
- staff benefits		287,439	–	–
Fund raising projects		225,371	–	–
Transports		248,602	–	–
Supplies and materials		1,324,676	–	–
Community networking and volunteer management		287,806	–	–
Rental/operating lease expense		91,628	–	–
Maintenance fees:				
- vehicles		6,271	–	–
- equipment		10,084	–	–
- building		109,036	–	–
Administration expenses		238,145	–	–
Contract services		1,014,685	–	–
Depreciation of property, plant and equipment	10	80,823	–	–
Amortisation of intangible assets	11	157,539	–	–
General publicity		72,600	–	–
Goods and services tax		212,893	–	–
Property, plant & equipment written-off		4,860	–	–
Total resources expended		10,452,786	–	–
Deficit of income over expenditure for the year before grants from Government		(4,412,159)	–	351,425
Government operating grants		5,444,302	–	–
Excess of income over expenditure for the year		1,032,143	–	351,425
Other comprehensive income				
Available-for-sale financial assets		–	112,094	–
Total comprehensive income for the year		1,032,143	112,094	351,425

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

Home Therapy Fund	Sub-total	RESTRICTED Specific Fund – Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$	$
–	5,248,754	–	–	–	5,248,754
–	831,574	–	–	–	831,574
–	287,439	–	–	–	287,439
–	225,371	–	–	–	225,371
–	248,602	–	–	–	248,602
–	1,324,676	–	–	–	1,324,676
–	287,806	–	–	–	287,806
–	91,628	–	–	–	91,628
–	6,271	–	–	–	6,271
–	10,084	–	–	–	10,084
–	109,036	–	–	–	109,036
–	238,145	–	–	–	238,145
–	1,014,685	–	–	–	1,014,685
–	80,823	–	–	–	80,823
–	157,539	–	–	–	157,539
–	72,600	–	9,162	–	81,762
–	212,893	–	32,172	–	245,065
–	4,860	–	–	–	4,860
–	10,452,786	–	41,334	–	10,494,120
–	(4,060,734)	63,444	130,142	193,586	(3,867,148)
–	5,444,302	–	–	–	5,444,302
–	1,383,568	63,444	130,142	193,586	1,577,154
–	112,094	–	–	–	112,094
–	1,495,662	63,444	130,142	193,586	1,689,248

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2018

	UNRESTRICTED			
2017	General Operating Fund	Fair Value Reserve	Expendable Endowment Fund	Home Therapy Fund
	$	$	$	$
Total comprehensive income for the year	1,032,143	112,094	351,425	–
Transfer of funds	307,813	–	(307,813)	(95,043)
Balance as at 1 April 2016	4,468,773	–	17,577,908	95,043
Balance as at 31 March 2017	5,808,729	112,094	17,621,520	–

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

		RESTRICTED		
Sub-total	Specific Fund - Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
1,495,662	63,444	130,142	193,586	1,689,248
–	–	95,043	95,043	–
22,141,724	3,173,403	–	3,173,403	25,315,127
23,542,343	3,236,847	225,185	3,462,032	27,004,375

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	NOTES	2018 $	2017 $
Assets			
Non-current assets			
Other financial assets, non-current	9	**20,651,425**	13,130,511
Property, plant and equipment	10	**1,124,686**	1,380,440
Intangible assets	11	**405,740**	548,643
Total non-current assets		**22,181,851**	15,059,594
Current assets			
Other financial assets	9	**5,184,718**	6,615,320
Other receivables	12	**1,714,373**	2,361,830
Other assets	13	**96,869**	79,388
Cash and cash equivalents	14	**6,454,089**	7,949,914
Total current assets		**13,450,049**	17,006,452
Total assets		**35,631,900**	32,066,046
Funds and liabilities			
Funds and other reserve			
Unrestricted:			
General operating fund		**6,908,562**	5,808,729
Expendable endowment fund	15	**18,760,220**	17,621,520
Fair value reserve	16	**184,718**	112,094
Restricted:			
Specific fund - corporate adoption scheme fund	15	**3,298,078**	3,236,847
Restricted funds	15	**81,518**	225,185
Total funds and other reserve		**29,233,096**	27,004,375
Current liabilities			
Trade and other payables	18	**1,725,518**	1,704,065
Other liabilities	19	**4,673,286**	3,357,606
Total current liabilities		**6,398,804**	5,061,671
Total liabilities		**6,398,804**	5,061,671
Total funds and liabilities		**35,631,900**	32,066,046

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

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2018

	2018 $	2017 $
Cash flows from operating activities		
Surplus for the year	**2,276,097**	1,577,154
Adjustments for:		
Amortisation of deferred income	**(388,968)**	(148,728)
Amortisation of intangible assets	**220,169**	157,539
Amortisation of investment premium	**78,529**	53,248
Depreciation of property, plant and equipment	**218,625**	80,823
Interest income	**(504,455)**	(504,211)
Property, plant and equipment written-off	**77,604**	4,860
Operating cash flows before changes in working capital	**1,977,601**	1,220,685
Inventories	**–**	24,450
Other receivables	**675,695**	(1,066,729)
Other assets	**(17,481)**	8,411
Cash restricted in use	**(374,943)**	(341,544)
Trade and other payables	**21,453**	(7,665)
Other liabilities	**1,584,648**	586,583
Net cash flows from operating activities	**3,866,973**	424,191
Cash flows from investing activities		
Interest received	**476,217**	522,197
Proceeds from redemption of investment securities	**2,500,000**	3,500,000
Purchase of investment securities	**(8,596,217)**	(5,563,843)
Purchase of intangible asset	**(77,266)**	(497,070)
Purchase of property, plant and equipment	**(40,475)**	(629,862)
Net cash flows used in investing activities	**(5,737,741)**	(2,668,578)
Net decrease in cash and cash equivalents	**(1,870,768)**	(2,244,387)
Cash and cash equivalents, statement of cash flows, beginning balance	**5,431,538**	7,675,925
Cash and cash equivalents, statement of cash flows, ending balance (Note 14A)	**3,560,770**	5,431,538

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

1. GENERAL

Home Nursing Foundation (the "Foundation") is a society registered in Singapore in October 1976 under the Societies Act, Chapter 311. The Foundation is also a charity registered under the Charities Act, Chapter 37 and approved Institutions of a Public Character under the Income Tax Act, Chapter 134. The financial statements are presented in Singapore dollars.

The principal objective of the Foundation is to provide home health care services to the non-ambulant and aged sick in their own home.

The registered office address is: 93 Toa Payoh Central, Toa Payoh Central Community Building, #07-01, Singapore 319194.

The financial statements of the Foundation for the reporting year ended 31 March 2018 are authorised for issuance by the Executive Committee on the date of the statement by the Executive Committee.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Societies Act, Chapter 311. The Foundation is also subject to the provisions of the Charities Act, Chapter 37. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRSs require an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is not material. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss, as required or permitted by FRSs.

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 revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, Foundation has made judgements in the process of applying the entity's accounting policies. The areas requiring Foundation's 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Foundation and it is shown net of related tax and subsidies.

(a) Government subvention

Government subvention is recognised in the Statement of Financial Activities when the right to receive payment is established which is when services are performed. Government subvention may be adjusted subsequently when the government has reviewed and finalised the subvention paid and payable to the Foundation.

Grants from the government to meet the Foundation's operating expenses are recognised as income to match the related operating expenditure. Grants from the government are recognised as receivable when there is reasonable assurance that the grant will be received and the Foundation will comply with all the attaching conditions.

Government grants for the purchase of depreciable assets are taken to the deferred income account. The grants are recognised as income over the useful lives of the related assets to match the depreciation of those assets.

Both operating and capital grants are accounted for on an accrual basis.

(b) Donation and income from fund raising projects

Donations and income from fund raising projects are recognised as and when the right to receive is established. Donations received in advance for future fund raising projects are deferred and recognised as incoming resources as and when the fund raising projects are held. Revenue from special fund-raising events is recognised when the event takes place.

(c) Rendering of service

Revenue from rendering of services that are of short duration is recognised when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

(d) Interest income

Interest income is recognised on an effective interest rate basis. All interest income is first credited to the General Operating Fund. It is then allocated to various funds based on the average fund balance during the year.

(e) Other income

Other income including membership subscriptions are recognised over the membership period on a straight-line basis. Other miscellaneous income is recognised upon receipt.

Donations in kind

A donation in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

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 is obligated 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 a charity, the Foundation is exempt from income tax on income and gains within the section 13(1)(zm) of the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

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 position by setting up the grant as deferred income.

Property, plant and equipment

Property, 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 method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Building improvements	–	3% - 20%
Office equipment	–	20% - 33%
Medical equipment	–	20%
Furniture and fittings	–	20%
Motor vehicles	–	20%

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The building improvements of the Foundation has been depreciated over its estimated useful life, which assumes that the Foundation will be able to continue to use the present premises over the remaining estimated useful life of the building. No depreciation is provided for items under work-in-progress.

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 property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and 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, borrowing cost capitalised and 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.

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 profit or loss 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 profit or loss as an integral part of the total lease expense.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Computer software	–	3 years

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through statement of financial activities to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in statement of financial activities. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets (cont'd)

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Financial assets

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at the end of the reporting year, there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

Subsequent measurement: (cont'd)

when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition are designated as at fair value through profit or loss or available-for-sale and those that meet the definition of loans and receivables are not classified in this category. These assets are carried at amortised costs using the effective interest method minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. Impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. If such market prices are not reliably determinable, management establishes fair value by using valuation techniques. Changes in fair value of available-for-sale financial assets

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

Subsequent measurement: (cont'd)

(other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves.

Such reserves are reclassified to statement of financial activities when realised through disposal. Impairments below cost are recognised in statement of financial activities. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to statement of financial activities as a reclassification adjustment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through statement of financial activities. However for debt instruments classified as available-for-sale impairment losses recognised in statement of financial activities are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in statement of financial activities. These financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, and fixed deposits. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilitiesin one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: As at the end of the reporting year, there were no financial liabilities classified in this category.

2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

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 using a pre-tax rate 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 statement of financial activities in the reporting year they occur.

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Foundation are allocated subsequently to those 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information (cont'd)

Funds (cont'd)

General Operating Fund
Income and expenditure relating to the main activities of the Foundation are accounted for through the General Operating Fund in the statement of financial activities.

Expendable Endowment Fund
The Expendable Endowment Fund, which was established under the Foundation's by-laws on 23 January 2008, consists of:

(a) All specific donations and gifts intended for the Expendable Endowment Fund;

(b) All surplus of the General Operating Fund in excess of the operating expenditure of the past 1 year; and

(c) Such other monies as the Board of Management may determine to transfer to the Expendable Endowment Fund.

The Expendable Endowment Fund is intended to generate investment income that can be used for the Foundation's activities.

The Expendable Endowment Fund may be used for such purposes as may be approved by the Board of Management.

Corporate Adoption Scheme Fund
Donations by a sponsor for acquiring the right to name the adopted function hall for the period of sponsorship, under the Foundation's Corporate Adoption Scheme, are taken to the Corporate Adoption Scheme Fund in the statement of financial activities on Specific Funds.

Home Therapy Fund
Home Therapy Fund is an internal fund where the funds are obtained from the net surplus from the Foundation's Jubilee Dinner and it is to help eligible home therapy patients pay their medical bills either in whole or in part.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information (cont'd)

Funds (cont'd)

Restricted Funds

Restricted Funds comprise of the following Restricted Funds which donors made donations to for the purpose(s) as specified in each of the Funds as follows:

(a) Home Medical/Nursing Service Fee Fund is to assist needy patients in covering the difference in service fees between the Ministry of Health subvention and actual service fees charged.

(b) Hamper Fund is for the procurement and distribution of hampers to needy patients.

(c) Workforce Optimiser (WFO) Fund is to partially fund the development and operating cost for WFO.

Deferred income

Grants from government for the purchase of property, plant and equipment are accounted for in deferred income. Deferred income is recognised in the Statement of Financial Activities on a systematic basis over the periods necessary to match the depreciation of property, plant and equipment which they are intended to compensate. On disposal of the property, plant and equipment, the balance of the related grants is recognised in the statement of comprehensive income to match the net book value of the property, plant and equipment disposed of.

Grants in respect of the current year's operating expenses are recognised as income in the same year. Grants which are received but not utilised are included in the grants received in advance account. Grants are accounted for on an accrual basis.

The 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 and 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 currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information (cont'd)

Deferred income (cont'd)

Useful lives of property, plant and equipment:
The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is disclosed in Note 10 on property, plant and equipment.

Investments available-for-sale impairment tests:
An investment available-for-sale is regarded as impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of what is "significant" or "prolonged" requires significant judgement. The carrying amount is disclosed in the Note 9A.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the Executive Committee, Board of Management and key management of the Foundation. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

All Executive Committee, Board of Management, members of sub-committees and procurement staff members of the Foundation are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holding 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.

3A. Key management compensation:

	2018	2017
	$	$
Salaries and other short-term employee benefits	**1,025,637**	1,101,799

Key management personnel is the chief executive officer and those persons having authority and responsibility for planning, directing and controlling the activities of the society, directly or indirectly. There were no transactions with a company in which the above key management personnel have an interest in.

Number of key management in compensation bands:

$100,000 and below	**5**	2
$100,001 to $200,000	**1**	4
$200,001 to $300,000	**2**	2

The above amounts are included under employee benefits expense (Note 7).

The Board members, or people connected with them, have not received remuneration, or other benefits, from the Foundation for which they are responsible, or from institutions connected with the Foundation.

There is no claim by the Board members for services provided to the Foundation, either by reimbursement to the Board or by providing the board members with an allowance or by direct payment to a third party.

4. DONATIONS

4(i). General donations

	2018 $	2017 $
Tax-deductible donations	**635,166**	724,841
Non tax-deductible donations	**316,136**	352,993
Total	**951,302**	1,077,834

4(ii). Fund raising projects

	2018 $	2017 $
Tax-deductible donations	**1,487,772**	1,196,865
Non tax-deductible donations	**108,823**	61,617
Total	**1,596,595**	1,258,482

4(iii). Community programmes

	2018 $	2017 $
Tax-deductible donations	**10,000**	170,418
Non tax-deductible donations	**–**	7,716
Total	**10,000**	178,134

Tax deductible receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the accumulated funds of the Foundation. The Foundation's Institutions of a Public Character ("IPC") status for general donations is for the period from 1 October 2015 to 30 September 2018.

	2018 $	2017 $
Tax-deductible receipts issued for donations collected	**2,132,938**	2,092,124

5. SERVICES FEE

	2018 $	2017 $
Services fee, gross	**1,615,889**	1,195,392
Less: waiver and subsidy	**(661,427)**	(164,621)
Total	**954,462**	1,030,771

6. INTEREST INCOME

	2018 $	2017 $
Interest income from other financial assets	**7,781**	6,638
Interest income from financial institutions	**496,674**	497,573
Total	**504,455**	504,211

7. EMPLOYEE BENEFITS EXPENSE

	2018 $	2017 $
Short term employee benefits expense	**5,100,075**	5,248,754
Contribution to defined contribution plans	**826,643**	831,574
Other benefits	**321,871**	287,439
Total employee benefits expense	**6,248,589**	6,367,767

8. TAXATION

As a charity, the Foundation is exempt from income tax on income and gains within the section 13(1)(zm) of the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

9. OTHER FINANCIAL ASSETS

	2018 $	2017 $
Balance is made up of:		
Investments available-for-sale at FVTOCI	**5,184,718**	5,112,094
Held-to-maturity investments at amortised cost	**20,651,425**	14,633,737
Total at end of the year	**25,836,143**	19,745,831
Non-current	**20,651,425**	13,130,511
Current	**5,184,718**	6,615,320
	25,836,143	19,745,831

9A. Movements in other financial assets

	2018 $	2017 $
Investments available-for-sale at FVTOCI:		
Movements during the year:		
Fair value at beginning of the year	**5,112,094**	–
Additions	**–**	5,000,000
Increase in fair value through other comprehensive income (Note 16)	**72,624**	112,094
Total Investments available-for-sale at FVTOCI	**5,184,718**	5,112,094
Held-to-maturity Investments:		
Quoted debt securities, at amortised cost		
At beginning of the year	**14,633,737**	15,123,142
Additions during the year	**8,596,217**	3,063,843
Less: amortisation of premium	**(78,529)**	(53,248)
Less: redemption during the year	**(2,500,000)**	(3,500,000)
Total held-to-maturity Investments	**20,651,425**	14,633,737
Fair value for disclosure purpose only	**20,540,126**	14,849,004

None of the financial assets measured at amortised cost were reclassified to financial assets at fair value during the reporting year.

9. OTHER FINANCIAL ASSETS (CONT'D)

9B. Disclosures relating to investments

The information gives a summary of the significant sector concentrations within the investment portfolio:

	Level	**2018**	2017
		$	$
Held-to-maturity Investments:			
Real estate	1	**8,524,641**	5,286,938
Transport	1	**1,494,423**	2,495,392
Durable goods	1	**1,507,413**	1,000,530
Housing	1	**2,002,894**	2,007,932
Life insurance	1	**1,549,104**	1,017,129
Telecommunication	1	**1,261,945**	756,335
Commercial bank	1	**1,040,751**	1,049,221
Water supply	1	**1,016,426**	1,020,260
Government bonds	1	**2,253,828**	–
		20,651,425	14,633,737

The above held-to-maturity investment securities represent investment in bonds issued by government statutory boards and corporations listed on the Singapore Stock Exchange and are held primarily to provide an investment return for the Foundation. The rate of interest for the interest earning bonds ranged between 2.1% to 4.6% (2017: 2.1% to 5.0%) per annum.

A summary of the maturity dates of corporate bonds as at the end of reporting year is as follows:

	2018	2017
	$	$
Within 1 to 3 years	**6,794,339**	3,507,708
After 3 years	**13,857,086**	11,126,029
	20,651,425	14,633,737

9. OTHER FINANCIAL ASSETS (CONT'D)

9B. Disclosures relating to investments (cont'd)

Available-for-sale financial assets (AFS)

	Level	**2018** **$**	2017 $
Available-for-sale financial assets			
LionGlobal Class I Fund	3	**5,184,718**	5,112,094

Determination of fair value (AFS)
As the unquoted equity shares are not publicly traded, the fair values presented are determined by the NAV of the portfolio which is made up of 3,157,563 units (2017: 3,157,563 units) and valued at $1.642 per unit (2017: $1.619 per unit) determined by Lion Global Investors Limited.

Summary of available-for-sale financial assets
The key terms of the LionGlobal Singapore Fixed Income Investment Class I Funds (LionGlobal Class I Fund) are as follows:

(a) The investment portfolio of the LionGlobal Class I Fund securities are either quoted or issued by Sovereign/Statutory Board of Singapore.

(b) The AFS is Class I Fund are not interest-bearing and is not entitled to any form of dividend income.

(c) The Foundation has the right to cease the investment with Lion Global Investors Ltd at any time and the Foundation would be entitled to the Net Asset Value (NAV) of the portfolio as determined by Lion Global Investors Ltd as of cessation date.

9. OTHER FINANCIAL ASSETS (CONT'D)

9B. Disclosures relating to investments (cont'd)

Summary of available-for-sale financial assets (cont'd)

The available-for-sale financial assets were purchased in April 2016 and the fund is managed by an external fund manager, Lion Global Investors Limited. The Foundation is only able to dispose of or maintain the investment with the fund manager and has no significant influence or control as to voting right or decision making in terms of the following criteria:

- Power over the funds invested;
- Exposure, or rights, to variable returns from its involvement with the fund invested; and
- The ability to use its power over the fund invested to affect the amount of the investor's returns.

The Foundation holds the investment as a passive investor and does not possess significant influence or control over the funds.

Sensitivity analysis for price risk:

There are investments in corporate bonds or similar instruments. Such investments are exposed to market price risk arising from uncertainties about future values of the investment securities. The effect is as follows:

	2018	2017
	$	$
A hypothetical 10% increase in the market index of quoted corporate bonds would have an effect on surplus of	**2,065,143**	1,463,374

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

10. PROPERTY, PLANT AND EQUIPMENT

	Building improve-ments	Office equipment	Medical equipment	Furniture and fittings	Motor vehicles	Work-in-progress	Total
	$	$	$	$	$	$	$
Cost:							
At 1 April 2016	1,664,443	641,337	24,351	206,414	25,919	–	2,562,464
Additions	–	98,365	–	–	117,284	615,719	831,368
Written-off	(617,222)	(109,844)	–	(176,410)	–	–	(903,476)
At 31 March 2017	1,047,221	629,858	24,351	30,004	143,203	615,719	2,490,356
Additions	1,900	35,980	2,595	–	–	–	40,475
Written-off	–	(360,702)	(700)	–	(25,919)	(77,604)	(464,925)
Transfer in (out) of assets under work-in-progress	443,361	–	–	94,754	–	(538,115)	–
At 31 March 2018	1,492,482	305,136	26,246	124,758	117,284	–	2,065,906
Accumulated depreciation							
At 1 April 2016	1,064,935	620,273	22,213	194,370	25,919	–	1,927,710
Depreciation for the year	39,318	19,953	730	3,229	17,593	–	80,823
Written-off	(612,395)	(109,844)	–	(176,378)	–	–	(898,617)
At 31 March 2017	491,858	530,382	22,943	21,221	43,512	–	1,109,916
Depreciation for the year	127,404	44,926	789	22,049	23,457	–	218,625
Written-off	–	(360,702)	(700)	–	(25,919)	–	(387,321)
At 31 March 2018	619,262	214,606	23,032	43,270	41,050	–	941,220
Carrying amount							
At 1 April 2016	599,508	21,064	2,138	12,044	–	–	634,754
At 31 March 2017	555,363	99,476	1,408	8,783	99,691	615,719	1,380,440
At 31 March 2018	873,220	90,530	3,214	81,488	76,234	–	1,124,686

Of the carrying amount of building acquisition and improvements, $794,806 (2017: $471,617) was acquired through government grants (Note 19).

11. INTANGIBLE ASSETS

	Computer software	Computer software work-in-progress	Total
	$	$	$
Cost			
At 1 April 2016	462,075	7,500	469,575
Additions	7,500	489,570	497,070
Transfers	7,500	(7,500)	–
At 31 March 2017	477,075	489,570	966,645
Additions	57,286	19,980	77,266
Transfers	459,600	(459,600)	–
At 31 March 2018	993,961	49,950	1,043,911
Accumulated amortisation			
At 1 April 2016	260,463	–	260,463
Amortisation for the year	157,539	–	157,539
At 31 March 2017	418,002	–	418,002
Amortisation for the year	220,169	–	220,169
At 31 March 2018	638,171	–	638,171
Carrying amount			
At 1 April 2016	201,612	7,500	209,112
At 31 March 2017	59,073	489,570	548,643
At 31 March 2018	355,790	49,950	405,740

Computer software which are stated as work-in-progress relates to information technology and software acquired by the Foundation during the reporting years that are still in the development stage and no amortisation expense was recognised at the reporting date.

12. OTHER RECEIVABLES

	2018 $	2017 $
Subvention & grants receivables	**1,548,866**	2,217,520
Interest receivables	**114,900**	86,662
Other receivables	**50,607**	57,648
	1,714,373	2,361,830

13. OTHER ASSETS

	2018 $	2017 $
Prepayments	**69,527**	68,709
Deposits to secure services	**27,342**	10,679
	96,869	79,388

14. CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Not restricted in use	**3,560,770**	5,431,538
Restricted in use		
- Cash restricted in use (Note A)	**2,811,801**	2,293,191
- Cash under restricted funds (Note B)	**81,518**	225,185
	6,454,089	7,949,914
Interest earning balances (Note C)	**1,000,000**	1,000,000

14. CASH AND CASH EQUIVALENTS (CONT'D)

Note A:
Cash and cash equivalents restricted in use for their nature recorded in other liabilities. It includes the following:

- $187,046 (2017: $68,402) relating to monies received under donations received in advance (Note 19A).
- $129,253 (2017: $129,311) relating to monies received under Care and Share grant (Note 19C).
- $2,334,138 (2017: $2,092,053) relating to monies received under Community Silver Trust Fund (Note 19C).
- $161,364 (2017: $3,425) relating to monies held on behalf of Medifund Account from the Ministry of Health (Note 19C).

Note B:
Cash and cash equivalents amounting to $81,518 (2017:$225,185) relating to monies received under restricted funds.

Note C:
The rate of interest for the cash on interest earning balances is 1.01% (2017: 0.7%) per annum.

14A. Cash and cash equivalents in the statement of cash flows:

	2018 $	2017 $
Amount as shown above	**6,454,089**	7,949,914
Restricted in use	**(2,893,319)**	(2,518,376)
Cash and cash equivalents for statement of cash flows purposes at end of the year	**3,560,770**	5,431,538

14B. Non-cash transactions

In 2017, the total cost of purchase for other financial assets $8,000,000 of which $2,500,000 was included as prepayment as at 31 March 2016.

In 2017, there were acquisition of certain assets under property, plant and equipment with a total cost of $831,368 of which $201,506 was included in other payables. Cash payment of $629,862 was made to purchase plant and equipment.

15. SPECIFIC FUNDS OF THE FOUNDATION

Gross transfers between funds approved by Board of Management

(a) Expendable Endowment Fund's net transfer of $805,358 (2017: $307,813) comprised the following:

- In 2018, an amount of $805,358 was transferred from the General Operating Fund to Expendable Endowment Fund (2017: $296,432 was transferred from the Expendable Endowment Fund to General Operating Fund on 20 October 2016).

- In 2017, an amount of $11,381 was transferred from the Expendable Endowment Fund to General Operating Fund for the Foundation's co-funding of the Integrated Home Care Program.

(b) Specific Fund Corporate Adoption Scheme Fund

- There are no transfers to this fund in 2017 and 2018.

(c) Home Therapy Fund

- In 2017, an amount of $95,043 was transferred from the Home Therapy Fund to the Restricted Fund on 1 April 2016. The fund was closed subsequent to the transfer.

(d) Restricted Funds

- In 2018, an amount of $120,000 from the Restricted Funds was utilised to acquire a computer software and the amount has been included in the deferred capital grant (Note 19).

- In 2017, an amount of $95,043 was transferred from the Home Therapy Fund to the Restricted Funds on 1 April 2016 and all donations with restriction clauses attached are transferred to this account.

16. FAIR VALUE RESERVE

	2018 **$**	2017 $
At beginning of the year	**112,094**	–
Changes in fair value of available-for-sale financial assets	**72,624**	112,094
At end of the year	**184,718**	112,094

The available-for-sale financial assets reserve arises from the annual remeasurement of the available-for-sale financial assets. It is not distributable until it is released to the profit or loss on the disposal of the investments.

17. RESERVES AND FUNDS MANAGEMENT

The Foundation's objectives when managing the reserves and funds are:

(a) To safeguard the Foundation's ability to continue as a going concern;

(b) To support the Foundation's stability and growth; and

(c) To provide reserves and funds for the purpose of strengthening the Foundation's risk management capability.

There were no changes in the Foundation's approach to capital management during the year.

The Foundation's reserve position is as follows:

	2018 **$**	2017 $
Accumulated unrestricted funds	**25,853,500**	23,542,343
Annual operating expenditure	**11,114,269**	10,452,786
Ratio of reserves to annual operating expenditure	**2.33**	2.25

* Annual operating expenditure represents total resources expended for unrestricted funds.

17. RESERVES AND FUNDS MANAGEMENT (CONT'D)

The reserves and funds that the Foundation has set aside provide financial stability and the means for the development of its principal activity. The Foundation actively and regularly reviews and manages its reserves and funds to ensure optimal structure taking into consideration the future requirements of the Foundation and reserves and funds efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

18. TRADE AND OTHER PAYABLES

	2018	2017
	$	$
Trade payables:		
Outside parties	**542,925**	287,022
Subtotal	**542,925**	287,022
Other payables:		
Outside parties and accrued liabilities	**1,182,593**	1,417,043
Subtotal	**1,182,593**	1,417,043
Total trade and other payables	**1,725,518**	1,704,065

19. OTHER LIABILITIES

	2018	2017
	$	$
Donations received in advance (Note 19A)	**187,046**	68,402
Deferred capital grants (Note 19B)	**1,361,485**	646,583
Grant received in advance (Note 19C)	**3,124,755**	2,642,621
	4,673,286	3,357,606

19. OTHER LIABILITIES (CONT'D)

19A. Donations received in advance

	2018	2017
	$	$
Movements of donations received in advance		
Balance at beginning of the year	**68,402**	366,067
Donations received during the year (Note A)	**240,000**	–
Utilised during the year	**(121,356)**	(297,665)
Balance at end of the year	**187,046**	68,402

Note A:
Of the total donations received of $240,000 for the President Challenge Fund, $99,940 has been utilised during the current reporting year for the engagement of medical social workers, wound consultants and IT professionals. The remaining balance of $140,060 is to be utilised in the next reporting year.

19B. Deferred capital grants

Deferred capital grants	**2018**	2017
	$	$
Balance at beginning of the year	**646,583**	656,928
Grant received during the year	**1,103,870**	138,383
Less: amortisation for the year	**(388,968)**	(148,728)
Balance at end of the year	**1,361,485**	646,583

Deferred capital grants relates to the grants from government for the purchase of property, plant and equipment and computer software. The deferred capital grants are the property, plant and equipment acquired and amortised within the useful lives.

19. OTHER LIABILITIES (CONT'D)

19C. Grants received in advance

Movements of grants received in advance

	C&S	CST	Medifund& Medifund Silver	Total
	$	$	$	$
2018				
Balance at beginning of the year	129,311	2,509,885	3,425	2,642,621
Grants received during the year	–	2,423,480	260,400	2,683,880
Utilised during the year	(58)	(2,099,227)	(102,461)	(2,201,746)
Balance at end of the year	129,253	2,834,138	161,364	3,124,755
2017				
Balance at beginning of the year	15,180	1,819,475	36,331	1,870,986
Grants received during the year	390,448	1,669,582	79,528	2,139,558
Utilised during the year	(276,317)	(979,172)	(112,434)	(1,367,923)
Balance at end of the year	129,311	2,509,885	3,425	2,642,621

The movements of the grants received included the Community Silver Trust Grant ("CST"), Care and Share Grant (''C&S'') and Medifund and Medifund Silver.

CST is a scheme whereby the government will provide a matching grant of one dollar for every donation dollar raised by eligible organisations. The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long Term Care Sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care.

Medifund and Medifund Silver is a scheme to help eligible patients pay their medical bills for their co-payment portion.

20. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	2018 $	2017 $
Expenditure approved and contracted for:		
– Charity Management Solution	–	19,980

21. COLUMNAR PRESENTATION OF STATEMENT OF FINANCIAL POSITION

A majority of the assets and liabilities are attributable to the unrestricted funds. All the assets of the restricted funds are represented by cash and the specific fund – corporate adoption scheme fund is represented by investments in quoted bonds. Accordingly the Foundation did not adopt a columnar presentation of its assets, liabilities and funds in the statement of financial position as it was not meaningful.

22. 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:

	2018 $	2017 $
Not later than one year	76,356	91,628
Later than one year but not later than five years	–	76,356
	76,356	167,984
Rental expenses	91,628	91,628

The leases on the Foundation's office premises on which rentals are payable will expire in January 2019 with a renewal option and the current rent payable on the lease is $7,636 (2017: $7,636) per month which is subject to revision on renewal. The lease expenditure is funded by a grant from the Ministry of Health.

23. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

23A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2018 $	2017 $
Financial assets:		
Cash and cash equivalents	**6,454,089**	7,949,914
Other receivables	**1,714,373**	2,361,830
Available-for-sale financial assets	**5,184,718**	5,112,094
Held-to-Maturity investments at amortised cost	**20,651,425**	14,633,737
	34,004,605	30,057,575
Financial liabilities:		
Trade and other payables measure at amortised cost	**1,725,518**	1,704,065

Further quantitative disclosures are included throughout these financial statements.

23B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by the Board of Management. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

23. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

23C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

23D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in statement of financial activities. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is significant concentration of credit risk on debtors, as the exposure is spread over a small number of counter-parties and debtors.

Note 14 discloses the maturity of the cash and cash equivalents balances.

Other receivables are normally with no fixed terms and therefore there is no maturity.

23. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

23E. Liquidity risk – financial liabilities maturity analysis

All liabilities are due within a year.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2017: 30 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

23F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	2018	2017
	$	$
Financial assets with interest:		
Fixed rates	**20,651,425**	14,633,737
Floating rates	**1,000,000**	1,000,000
Total at end of the year	**21,651,625**	15,633,737

Sensitivity analysis: The effect on surplus is not significant.

23. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

23G. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation is not exposed to foreign currency risk as all the transactions are denominated in Singapore dollars.

24. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. None of these will be applicable to the reporting entity.

25. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The new or revised Financial Reporting Standards and the related Interpretations to FRSs ("FRS INT") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below.

FRS No.	Title	Effective date for periods beginning on or after
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases and Leases – Illustrative Examples & Amendments to Guidance on Other Standards	1 Jan 2019

25. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE (CONT'D)

FRS 109 Financial Instruments will replace FRS 39 effective for annual periods beginning on or after 1 January 2018. It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition. FRS 109 requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics. For financial liabilities, FRS 109 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. For the impairment of financial assets, FRS 109 introduces an "expected credit loss" ("ECL") model based on the concept of providing for expected losses at inception of a contract; recognition of a credit loss should no longer wait for there to be objective evidence of impairment. For hedge accounting, FRS 109 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures. The recognition and derecognition provisions are carried over almost unchanged from FRS 39.

26. RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassification have been made on the prior year's financial statements to enhance comparability with current year's financial statements. The classifications included the following:

	After reclassification	Before reclassification	Difference
	$	$	$
Statement of financial position as at 31 March 2017			
Property, plant and equipment	1,380,440	1,439,513	(59,073)
Intangible assets	548,643	489,570	59,073
Other receivables	2,361,830	2,441,218	(79,388)
Other assets	79,388	–	79,388
Trade and other payables	1,704,065	4,415,088	(2,711,023)
Other liabilities	3,357,606	646,583	2,711,023

The reclassifications were made in the immediately preceding reporting year ended 31 March 2017. These reclassifications did not have a significant impact to the Foundation and therefore the opening balance of the earliest comparative period is not presented in the statement of financial position.

The financial statements for the reporting year ended 31 March 2017 were audited by other independent auditors (other than RSM Chio Lim LLP) whose report dated 29 June 2017 expressed an unqualified opinion on those financial statements.

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