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	
Foundation unique entity number	S76SS0044D	
Registered Office	93 Toa Payoh Central Toa Payoh Central Community Building #07-01 Singapore 319194	
Board of Management *Current as at 31 March 2020*		
	Mr T.K. Udairam	President
	Mr Tan Shong Ye	Vice-President
	Ms Lilian Tham	Treasurer
	Mr Lim Neo Chian	Secretary
	A/Prof Chow Yeow Leng	Board Member
	Ms Aileen Tan	Board Member
	Mrs Deby Saroujiuy Pala Krishnan	Board Member
	Ms Charmaine Chow	Board Member
	Ms Low Beng Hoi	Board Member
	Ms Ong Hwee Ling Jenny	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:	Tan Wei Ling

CONTENTS

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"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations"), and Singapore Financial Reporting Standards ("SFRS"), so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 March 2020 and the results and cash flows of the Foundation for the reporting year ended; and

(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

Tan Shong Ye	**Tham Ee Mern, Lilian**
Vice President	Treasurer

24 July 2020

Independent Auditor's Report
To The Members Of Home Nursing Foundation
(Registered in Singapore under the Societies Act, Chapter 311 and the Charities Act, Chapter 37)

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 2020, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statements, 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 the Singapore Financial Reporting Standards ("SFRS") so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 March 2020 and the results and cash flows of the Foundation for the reporting 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 of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report
To The Members Of Home Nursing Foundation
(Registered in Singapore under the Societies Act, Chapter 311 and the Charities Act, Chapter 37)

Responsibilities of management and those charged with governance 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 and the financial reporting standards, and for designing 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 Executive Committee is 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

(Registered in Singapore under the Societies Act, Chapter 311 and the Charities Act, Chapter 37)

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 the Executive Committee 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 provisions of the Societies Regulations enacted under the Societies Act and 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 appeals.

Independent Auditor's Report
To The Members Of Home Nursing Foundation
(Registered in Singapore under the Societies Act, Chapter 311 and the Charities Act, Chapter 37)

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.

The engagement partner on the audit resulting in this independent auditor's report is Tan Wei Ling.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

24 July 2020

Statement of Financial Activities
Reporting Year Ended 31 March 2020

		UNRESTRICTED	
2020	Notes	General Operating Fund $	Expendable Endowment Fund $
Incoming resources:			
Income from generated funds			
Government subvention and other subsidies		5,249,357	–
General donations	4A	661,747	–
Fund raising projects	4B	1,546,232	–
Service fees	5	1,381,305	–
Investment income			
Fair value gain on investments held at FVTPL	11	359,962	–
Interest income:			
- Cash and cash equivalents		58,798	–
- Debt assets instruments		690,688	–
- Less: Allocation between funds		(508,219)	437,464
- Subtotal		241,267	437,464
- Less: Amortisation of investment premium on debt assets instruments		(116,232)	–
		125,035	437,464
Other income			
Membership subscriptions		1,785	–
Amortisation of deferred capital grant and asset donations	19B	413,401	–
Miscellaneous income		36,536	–
Total incoming resources		9,775,360	437,464

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

Statement of Financial Activities
Reporting Year Ended 31 March 2020

	RESTRICTED			
Sub-total	Specific Fund - Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
5,249,357	–	–	–	5,249,357
661,747	–	14,228	14,228	675,975
1,546,232	–	1,509	1,509	1,547,741
1,381,305	(28,481)	(24,967)	(53,448)	1,327,857
359,962	–	–	–	359,962
58,798	–	–	–	58,798
690,688	–	–	–	690,688
(70,755)	70,755	–	70,755	–
678,731	70,755	–	70,755	749,486
(116,232)	–	–	–	(116,232)
562,499	70,755	–	70,755	633,254
1,785	–	–	–	1,785
413,401	–	–	–	413,401
36,536	–	–	–	36,536
10,212,824	42,274	(9,230)	33,044	10,245,868

Statement of Financial Activities
Reporting Year Ended 31 March 2020

		UNRESTRICTED	
2020	Notes	General Operating Fund $	Expendable Endowment Fund $
Resources expended:			
Employee benefits expense	6	7,076,564	–
Fund raising projects		188,221	–
Transports		388,863	–
Supplies and materials		1,885,246	–
Community networking and volunteer management		24,810	–
Interest expense		10,359	–
Maintenance fees:			
- vehicles		2,911	–
- equipment		10,181	–
- building		128,512	–
Administration expenses		490,866	–
Contract services		1,515,353	–
Bad Debt		731	–
Depreciation of property, plant and equipment	8	263,391	–
Amortisation of intangible assets	9	192,924	–
Depreciation of right-of-use assets	10	162,053	–
General publicity		84,604	–
Goods and services tax		90,503	–
Total resources expended		12,516,092	–
Deficit of income over expenditure for the year before grants from Government		(2,740,732)	437,464
Government operating grants		3,697,549	–
Surplus / (deficit) for the year		956,817	437,464

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

Statement of Financial Activities

Reporting Year Ended 31 March 2020

	RESTRICTED			
Sub-total	Specific Fund – Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
7,076,564	397,767	146	397,913	7,474,477
188,221	–	1,509	1,509	189,730
388,863	2,354	–	2,354	391,217
1,885,246	1,999	83	2,082	1,887,328
24,810	15	577	592	25,402
10,359	5,651	–	5,651	16,010
2,911	3,826	–	3,826	6,737
10,181	836	–	836	11,017
128,512	7,477	–	7,477	135,989
490,866	47,529	478	48,007	538,873
1,515,353	30,386	–	30,386	1,545,739
731	91	–	91	822
263,391	–	–	–	263,391
192,924	–	–	–	192,924
162,053	–	–	–	162,053
84,604	11,035	6,803	17,838	102,442
90,503	7,868	4,563	12,431	102,934
12,516,092	516,834	14,159	530,993	13,047,085
(2,303,268)	(474,560)	(23,389)	(497,949)	(2,801,217)
3,697,549	–	–	–	3,697,549
1,394,281	(474,560)	(23,389)	(497,949)	896,332

Statement of Financial Activities

Reporting Year Ended 31 March 2020

	UNRESTRICTED	
2020	General Operating Fund $	Expendable Endowment Fund $
Opening balance as at 1 April 2019	5,946,214	20,804,092
Surplus / (deficit) for the year	956,817	437,464
Transfer of funds	1,918,198	(1,918,198)
Balance as at 31 March 2020	8,821,229	19,323,358

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

Statement of Financial Activities
Reporting Year Ended 31 March 2020

	RESTRICTED			
Sub-total	Specific Fund – Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
26,750,306	3,364,853	49,015	3,413,868	30,164,174
1,394,281	(474,560)	(23,389)	(497,949)	896,332
–	–	–	–	–
28,144,587	2,890,293	25,626	2,915,919	31,060,506

Statement of Financial Activities
Reporting Year Ended 31 March 2020

		UNRESTRICTED	
2019	Notes	General Operating Fund $	Expendable Endowment Fund $
Incoming resources:			
Income from generated funds			
Government subvention and other subsidies		3,584,651	–
General donations	4A	830,635	–
Fund raising projects	4B	1,597,394	–
Service fees	5	1,281,088	–
Investment income			
Fair value gain on investments held at FVTPL	11	183,139	–
Interest income:			
- Cash and cash equivalents		18,013	–
- Debt assets instruments		681,839	–
- Less: Allocation between funds		(446,607)	379,832
- Subtotal		253,245	379,832
- Less: Amortisation of investment premium on debt assets instruments		(113,369)	–
		139,876	379,832
Other income			
Membership subscriptions		336	–
Amortisation of deferred capital grant and asset donations	19B	374,694	–
Miscellaneous income		18,487	–
Total incoming resources		8,010,300	379,832

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

Statement of Financial Activities
Reporting Year Ended 31 March 2020

	RESTRICTED			
Sub-total	Specific Fund - Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
3,584,651	–	–	–	3,584,651
830,635	–	15,651	15,651	846,286
1,597,394	–	–	–	1,597,394
1,281,088	–	(22,516)	(22,516)	1,258,572
183,139	–	–	–	183,139
18,013	–	–	–	18,013
681,839	–	–	–	681,839
(66,775)	66,775	–	66,775	–
633,077	66,775	–	66,775	699,852
(113,369)	–	–	–	(113,369)
519,708	66,775	–	66,775	586,483
336	–	–	–	336
374,694	–	–	–	374,694
18,487	–	–	–	18,487
8,390,132	66,775	(6,865)	59,910	8,450,042

Statement of Financial Activities

Reporting Year Ended 31 March 2020

		UNRESTRICTED	
2019	Notes	General Operating Fund $	Expendable Endowment Fund $
Resources expended:			
Employee benefits expense	6	7,201,555	–
Fund raising projects		179,086	–
Transports		284,265	–
Supplies and materials		1,795,584	–
Community networking and volunteer management		21,545	–
Rental expense		95,631	–
Maintenance fees:			
– vehicles		4,193	–
– equipment		10,808	–
– building		147,035	–
Administration expenses		273,527	–
Contract services		1,423,017	–
Bad Debt		237	–
Depreciation of property, plant and equipment	8	218,522	–
Amortisation of intangible assets	9	190,060	–
General publicity		78,823	–
Goods and services tax		138,052	–
Total resources expended		12,061,940	–
Deficit of income over expenditure for the year before grants from Government		(4,051,640)	379,832
Government operating grants		4,568,614	–
Surplus / (deficit) for the year		516,974	379,832

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

Statement of Financial Activities
Reporting Year Ended 31 March 2020

	RESTRICTED			
Sub-total	Specific Fund - Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
7,201,555	–	656	656	7,202,211
179,086	–	–	–	179,086
284,265	–	29	29	284,294
1,795,584	–	660	660	1,796,244
21,545	–	–	–	21,545
95,631	–	–	–	95,631
4,193	–	–	–	4,193
10,808	–	–	–	10,808
147,035	–	–	–	147,035
273,527	–	1,083	1,083	274,610
1,423,017	–	2,925	2,925	1,425,942
237	–	–	–	237
218,522	–	–	–	218,522
190,060	–	–	–	190,060
78,823	–	16,142	16,142	94,965
138,052	–	4,143	4,143	142,195
12,061,940	–	25,638	25,638	12,087,578
(3,671,808)	66,775	(32,503)	34,272	(3,637,536)
4,568,614	–	–	–	4,568,614
896,806	66,775	(32,503)	34,272	931,078

Statement of Financial Activities

Reporting Year Ended 31 March 2020

2019	UNRESTRICTED General Operating Fund $	Expendable Endowment Fund $
Opening balance as at 1 April 2018	7,093,280	18,760,220
Surplus for the year	516,974	379,832
Transfer of funds	(1,664,040)	1,664,040
Balance as at 31 March 2019	5,946,214	20,804,092

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

Statement of Financial Activities
Reporting Year Ended 31 March 2020

	RESTRICTED			
Sub-total	Specific Fund – Corporate Adoption	Restricted Funds	Sub-total	Total
$	$	$	$	$
25,853,500	3,298,078	81,518	3,379,596	29,233,096
896,806	66,775	(32,503)	34,272	931,078
–	–	–	–	–
26,750,306	3,364,853	49,015	3,413,868	30,164,174

Statement of Financial Position

As at 31 March 2020

	Notes	2020	2019
		$	$
Assets			
Non-current assets			
Property, plant and equipment	8	**1,143,257**	914,466
Intangible assets	9	**48,387**	220,480
Right-of-use assets	10	**254,676**	–
Other financial assets, non-current	11	**13,685,424**	19,537,296
Total non-current assets		**15,131,744**	20,672,242
Current assets			
Other receivables	12	**1,943,392**	980,900
Other financial assets, current	11	**11,489,219**	6,368,617
Other assets	13	**137,832**	97,910
Cash and cash equivalents	14	**9,661,191**	7,071,714
Total current assets		**23,231,634**	14,519,141
Total assets		**38,363,378**	35,191,383
Funds and liabilities			
Funds			
Unrestricted:			
General operating fund	15	**8,821,229**	5,946,214
Expendable endowment fund	15	**19,323,358**	20,804,092
Total unrestricted funds		**28,144,587**	26,750,306
Restricted:			
Specific fund - corporate adoption scheme fund	15	**2,890,293**	3,364,853
Restricted funds	15	**25,626**	49,015
Total restricted funds		**2,915,919**	3,413,868
Total funds		**31,060,506**	30,164,174
Non-current liabilities			
Provision	16	**15,000**	–
Lease liabilities, non-current	17	**95,725**	–
Total non-current liabilities		**110,725**	–
Current liabilities			
Trade and other payables	18	**1,766,754**	1,851,415
Lease liabilities, current	17	**156,819**	–
Other liabilities	19	**5,268,574**	3,175,794
Total current liabilities		**7,192,147**	5,027,209
Total liabilities		**7,302,872**	5,027,209
Total funds and liabilities		**38,363,378**	35,191,383

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

Statement of Cash Flows

Reporting Year Ended 31 March 2020

	2020	2019
	$	$
Cash flows from operating activities		
Surplus for the year	**896,332**	931,078
Adjustments for:		
Amortisation of deferred capital grants	**(413,401)**	(374,694)
Amortisation of intangible assets	**192,924**	190,060
Amortisation of investment premium	**116,232**	113,369
Depreciation of property, plant and equipment	**263,391**	218,522
Depreciation of right-of-use assets	**162,053**	–
Gain on fair value changes in investments held at FVTPL	**(359,962)**	(183,139)
Interest income	**(749,486)**	(586,483)
Interest expense	**16,010**	–
Operating cash flows before changes in working capital	**124,093**	308,713
Other receivables	**(960,715)**	742,246
Other assets	**(39,922)**	(1,041)
Cash restricted in use	**(1,010,325)**	663,909
Provision	**15,000**	–
Trade and other payables	**(84,661)**	125,897
Other liabilities	**2,506,373**	(1,122,798)
Net cash flows from operating activities	**549,843**	716,926
Cash flows from investing activities		
Interest income received	**747,709**	577,710
Proceeds from redemption of debt assets instruments	**1,500,000**	–
Purchase of debt assets instruments	**(525,000)**	–
Purchase of intangible assets	**(20,831)**	(4,800)
Purchase of plant and equipment	**(507,374)**	(8,302)
Net cash flows from investing activities	**1,194,504**	564,608
Cash flows from financing activities		
Interest expense paid	**(16,010)**	–
Repayment of principle portion of lease liabilities	**(149,185)**	–
Net cash flows used in financing activities	**(165,195)**	–
Net increase in cash and cash equivalents	**1,579,152**	1,281,534
Cash and cash equivalents, beginning balance	**4,842,304**	3,560,770
Cash and cash equivalents, ending balance (Note 14D)	**6,421,456**	4,842,304

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

Notes to the Financial Statements
31 March 2020

1. General

Home Nursing Foundation (the "Foundation") is a charitable organisation established in Singapore under the Societies Act, Chapter 311 and the Charities Act, Chapter 37. The Foundation is also registered as an Institution of a Public Character ("IPC") under the Income Tax Act, Chapter 134. The financial statements are presented in Singapore Dollar.

The Executive Committee approved and authorised these financial statements for issue on the date of the Statement by the Executive Committee.

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 of the Foundation is located at 93 Toa Payoh Central, Toa Payoh Central Community Building, #07-01, Singapore 319194. The Foundation is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRS") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Societies Act, Chapter 311 and the Charities Act, Chapter 37.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

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, management has made judgements in the process of applying the Foundation's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed on Note 2C below, where applicable.

Notes to the Financial Statements
31 March 2020

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Incoming resources

(a) Rendering of services

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from the rendering of services is recognised when the Foundation satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

(b) Government subvention

Government subvention is recognised in the statement of financial activities when the right to receive payment is established, i.e. the services have been provided. Government subvention may be adjusted subsequently when the government has reviewed and finalised the subvention paid and payable to the Foundation.

(c) Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received.

Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. Grants which are received but not utilised are included in the grants received in advance account.

The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in statement of financial activities on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised. 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.

Notes to the Financial Statements
31 March 2020

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

2A. Significant accounting policies (cont'd)

Incoming resources (cont'd)

(d) Donations

Donations, including those from fund raising projects are recognised as and when the right to receive is established, typically upon receipt. 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. Donations from special fund-raising events are recognised when the event takes place.

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.

(e) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method. All interest income is first credited to the General Operating Fund, and subsequently allocated to various funds based on the average fund balances during the year.

(f) Membership subscriptions

Membership subscriptions are recognised over the membership period on a straight-line basis.

(g) Other income

Miscellaneous income is recognised upon receipt.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Foundation'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 Foundation is contractually obliged or where there is constructive obligation based on past practice.

Notes to the Financial Statements
31 March 2020

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

2A. Significant accounting policies (cont'd)

Incoming resources (cont'd)

Foreign currency transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the Foundation 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. The presentation is in the functional currency.

Income tax

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

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.

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 Foundation 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.

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% to 20%
Office equipment	–	20% to 33%
Medical equipment	–	20%
Furniture and fittings	–	20%
Motor vehicles	–	20%

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.

Notes to the Financial Statements
31 March 2020

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

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

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.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss.

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 Foundation 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 Foundation.

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 annual rates of amortisation are as follows:

Computer software – 33%

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rates of depreciation are as follows:

Premises - Over the terms of leases that are from 35% to 44%

Impairment of non-financial assets

The carrying amount of 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 profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. 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 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 and amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements
31 March 2020

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

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Foundation becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Foundation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Notes to the Financial Statements

31 March 2020

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

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows 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, if any.

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-to-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard whereby the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The Foundation'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.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

Notes to the Financial Statements
31 March 2020

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.

2C. Critical judgements, assumptions and estimation uncertainties

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.

Notes to the Financial Statements
31 March 2020

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

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Debt assets instrument measured at amortised cost:

The classification of these financial assets as measured at amortised cost requires significant judgement. Judgement is required in the assessment of the business model within which these assets are held and whether the contractual terms of these financial assets are solely payments of principal and interest on the principal amount outstanding. If the conditions are not met, these financial assets may be measured at FVTPL or FVTOCI. The carrying amount of these financial assets at the end of the reporting year is disclosed in Note 11.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Foundation to disclose: (a) transactions with its related parties; and (b) relationships between the parent 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 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.

The Executive Committee and 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 member of the Executive Committee or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The Executive Committee are volunteers and receive no monetary remuneration for their contribution. There are no paid staff who are close members of the family of the Executive Committee, and whose remuneration each exceeds $50,000 during the year.

Notes to the Financial Statements
31 March 2020

3. Related party relationships and transactions (cont'd)

3A. Key management compensation

	2020 $	2019 $
Salaries and other short-term employee benefits	**1,419,758**	1,257,372

The above amounts are included under employee benefits expense.

Key management personnel are the chief executive officer and those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly.

Number of key management in compensation bands:

	2020	2019
$100,000 and below	**1**	2
$100,001 to $200,000	**6**	5
$200,001 to $300,000	**1**	2
$300,000 and above	**1**	–

4. Donations

4A. General donations

	2020 $	2019 $
Tax-deductible donations	**556,859**	596,667
Non tax-deductible donations	**119,116**	249,619
Total	**675,975**	846,286

4B. Donations from fund raising projects

	2020 $	2019 $
Tax-deductible donations	**1,489,273**	1,523,558
Non tax-deductible donations	**58,468**	73,836
Total	**1,547,741**	1,597,394

Notes to the Financial Statements
31 March 2020

4. Donations (cont'd)

4C. 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 2018 to 30 September 2021.

	2020 $	2019 $
Tax-deductible receipts issued for donations collected	**2,046,132**	2,120,225

5. Services fee

	2020 $	2019 $
Services fee, gross	**2,106,711**	1,933,760
Less: waivers and subsidies	**(778,854)**	(675,188)
Net	**1,327,857**	1,258,572

6. Employee benefits expense

	2020 $	2019 $
Short term employee benefits expense	**6,188,908**	5,957,887
Contribution to defined contribution plans	**982,165**	942,115
Other benefits	**303,404**	302,209
Total employee benefits expense	**7,474,477**	7,202,211

7. 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. Therefore, no provision for income tax has been made in the financial statements.

Notes to the Financial Statements
31 March 2020

8. Property, plant and equipment

	Building improvements	Office equipment	Medical equipment	Furniture and fittings	Motor vehicles	Work-in-progress	Total
	$	$	$	$	$	$	$
Cost:							
At 1 April 2018	1,492,482	305,136	26,246	124,758	117,284	–	2,065,906
Additions	–	8,302	–	–	–	–	8,302
Written-off	–	(40,800)	–	–	–	–	(40,800)
At 31 March 2019	1,492,482	272,638	26,246	124,758	117,284	–	2,033,408
Additions	163,085	75,414	236,654	6,200	–	11,021	492,374
Written-off	–	(1,075)	–	–	–	–	(1,075)
At 31 March 2020	1,655,567	346,977	262,900	130,958	117,284	11,021	2,524,707
Accumulated depreciation:							
At 1 April 2018	619,262	214,606	23,032	43,270	41,050	–	941,220
Depreciation for the year	127,578	44,241	1,196	22,050	23,457	–	218,522
Written-off	–	(40,800)	–	–	–	–	(40,800)
At 31 March 2019	746,840	218,047	24,228	65,320	64,507	–	1,118,942
Depreciation for the year	148,573	47,511	21,485	22,365	23,457	–	263,391
Written-off	–	(883)	–	–	–	–	(883)
At 31 March 2020	895,413	264,675	45,713	87,685	87,964	–	1,381,450
Carrying value:							
At 1 April 2018	873,220	90,530	3,214	81,488	76,234	–	1,124,686
At 31 March 2019	745,642	54,591	2,018	59,438	52,777	–	914,466
At 31 March 2020	760,154	82,302	217,187	43,273	29,320	11,021	1,143,257

Out of the carrying amount of building acquisition and improvements, $692,406 (2019: $672,561) was acquired through government grants (Note 19).

Notes to the Financial Statements
31 March 2020

9. Intangible assets

	Computer software	Computer software work-in-progress	Total
	$	$	$
Cost:			
At 1 April 2018	993,961	49,950	1,043,911
Additions	4,800	–	4,800
Transfers	49,950	(49,950)	–
At 31 March 2019	1,048,711	–	1,048,711
Additions	8,081	12,750	20,831
At 31 March 2020	1,056,792	12,750	1,069,542
Accumulated amortisation:			
At 1 April 2018	638,171	–	638,171
Amortisation for the year	190,060	–	190,060
At 31 March 2019	828,231	–	828,231
Amortisation for the year	192,924	–	192,924
At 31 March 2020	1,021,155	–	1,021,155
Carrying value:			
At 1 April 2018	355,790	49,950	405,740
At 31 March 2019	220,480	–	220,480
At 31 March 2020	35,637	12,750	48,387

Notes to the Financial Statements
31 March 2020

10. Right-of-use assets

	Premises
	$
Cost:	
At 1 April 2018 and 31 March 2019	–
Impact of adoption of SFRS 116 (Note 25)	254,059
At 1 April 2019 - restated and 31 March 2020	254,059
Additions	162,670
At 1 April 2019 - restated and 31 March 2020	416,729
Accumulated depreciation:	
At 1 April 2018 and 31 March 2019	–
Impact of adoption of SFRS 116 (Note 25)	–
At 1 April 2019 – restated	–
Depreciation for the year	162,053
At 31 March 2020	162,053
Carrying value:	
At 1 April 2018	–
At 31 March 2019	–
At 31 March 2020	254,676

Other information about the leasing activities relating to the right-to-use assets are summarised as follows:

	Premises
Number of right-to-use assets	2
Remaining term – range	2.25 to 2.83 years
Remaining term – average	2.54 years
Number of leases with extension options	2

The leases are for the office premise and a Senior Care Centre. The lease rental terms are negotiated for an average term of three years.

Management has elected to measure right-of-use assets at the amount of the lease liability on adoption.

Notes to the Financial Statements
31 March 2020

11. Other financial assets

	2020 $	2019 $
Investments in unquoted fund at FVTPL (Note 11A)	**5,727,819**	5,367,857
Investments in debt assets instruments at amortised cost (Note 11B)	**19,446,824**	20,538,056
	25,174,643	25,905,913
Presented in the statement of financial position as follows:		
Current	**11,489,219**	6,368,617
Non-current	**13,685,424**	19,537,296
	25,174,643	25,905,913

11A. Investments in unquoted fund at FVTPL

	2020 $	2019 $
Movement during the year:		
Balance at beginning of the year	**5,367,857**	5,184,718
Fair value gain for the year	**359,962**	183,139
Balance at end of the year	**5,727,819**	5,367,857

Details of the investment portfolio, including the fair value hierarchy, are as follows:

	Level	2020 $	2019 $
Unquoted fund:			
LionGlobal Singapore Fixed Income Investment Class I Funds	3	**5,727,819**	5,367,857

As the unquoted fund is not publicly traded, the fair values presented are determined by the net asset value ("NAV") of the portfolio which is made up of 3,157,563 units (2019: 3,157,563 units) valued at $1.814 per unit (2019: $1.700 per unit) as determined by Lion Global Investors Limited.

Notes to the Financial Statements
31 March 2020

11. Other financial assets (cont'd)

11A. Investments in unquoted fund at FVTPL (cont'd)

The investments in LionGlobal Singapore Fixed Income Investment Class I Funds ("LionGlobal Class 1 Fund") 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 off or maintain the investment with the fund manager and has no significant influence or control over the fund.

The key terms of the 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 investments in Class I Fund are non interest-bearing and do not generate any form of dividend income.

(c) The Foundation has the right to cease the investment with Lion Global Investors Limited at any time. The Foundation is entitled to the NAV of the portfolio as determined by Lion Global Investors Limited as of cessation date.

11B. Investments in debt assets instruments at amortised cost

	2020	2019
	$	$
Movement during the year:		
Balance at beginning of the year	**20,538,056**	20,651,425
Additions	**525,000**	–
Redemption	**(1,500,000)**	–
Amortisation of investment premium	**(116,232)**	(113,369)
Balance at end of the year	**19,446,824**	20,538,056

Notes to the Financial Statements
31 March 2020

11. Other financial assets (cont'd)

11B. Investments in debt assets instruments at amortised cost (cont'd)

The information gives a summary of the significant sector concentrations within the investment portfolio and their fair values (determined by reference to the quoted bond prices):

		Carrying values		Fair values	
	Level	**2020**	2019	**2020**	2019
		$	$	**$**	$
Real estate	1	**7,681,172**	8,470,697	**7,600,975**	8,415,850
Transport	1	**1,757,070**	1,495,508	**1,761,325**	1,505,100
Durable goods	1	**1,000,080**	1,505,046	**999,800**	1,496,000
Housing	1	**2,000,705**	2,001,801	**2,024,700**	2,017,400
Life insurance	1	**1,521,829**	1,535,485	**1,494,400**	1,541,950
Telecommunication	1	**1,256,573**	1,259,263	**1,229,125**	1,252,500
Commercial bank	1	**1,023,787**	1,032,280	**999,600**	1,026,900
Water supply	1	**1,008,749**	1,012,593	**1,039,500**	1,023,600
Government bonds	1	**2,196,859**	2,225,383	**2,310,400**	2,212,000
		19,446,824	20,538,056	**19,459,825**	20,491,300

The above investments are bonds issued by government statutory boards or corporations listed on the Singapore Stock Exchange. These investments 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% (2019: 2.1% to 4.6%) per annum.

A summary of the maturity dates of these debt assets instruments as at the end of reporting year is as follows:

	2020	2019
	$	$
Less than 1 year	**5,761,400**	1,000,760
Within 1 to 3 years	**5,847,477**	6,281,910
After 3 years	**7,837,947**	13,255,386
	19,446,824	20,538,056

Notes to the Financial Statements
31 March 2020

11. Other financial assets (cont'd)

11B. Investments in debt assets instruments at amortised cost (cont'd)

The carrying value of the debt assets instruments with investment grade credit rating is as follows:

	2020 $	2019 $
Balances with investment grade credit rating by reputable rating agencies	**19,446,824**	20,538,056

Debt assets instruments carried at amortised cost are subject to the expected credit loss model under the financial reporting standard on financial instruments. These debt assets instruments are considered to have low credit risk if they have an investment grade credit rating with one or more reputable rating agencies. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). No loss allowance is necessary.

12. Other receivables

	2020 $	2019 $
Subvention and grants receivables	**1,083,233**	812,166
Interest receivables	**125,450**	123,673
Outside parties	**734,709**	45,061
	1,943,392	980,900

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

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables are regarded as low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition.

Notes to the Financial Statements
31 March 2020

12. Other receivables (cont'd)

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). No loss allowance is necessary.

13. Other assets

	2020 $	2019 $
Prepayments	**84,418**	70,618
Deposits to secure services	**53,414**	27,292
	137,832	97,910

14. Cash and cash equivalents

	2020 $	2019 $
Not restricted in use [(a)]	**6,421,456**	4,842,304
Restricted in use:		
Cash restricted in use (Note 14A)	**3,214,109**	2,180,395
Cash under restricted funds (Note 14B)	**25,626**	49,015
	9,661,191	7,071,714
Interest earning balances (Note 14C)	**3,500,000**	3,500,000

(a) Included in cash and cash equivalents not restricted in use are monies received under Community Silver Trust Fund amounting to $329,995 (Note 19D).

14A. Cash and cash equivalents restricted in use comprise monies received for the following:

	2020 $	2019 $
Donation received in advance (Note 19A)	**38,929**	42,356
Care and Share grant (Note 19D)	**66,551**	107,910
Community Silver Trust grant (Note 19D)	**3,000,795**	1,990,152
Medifund and Medifund Silver grant (Note 19D)	**105,693**	39,977
NCSS COVID Aid package	**2,141**	–
	3,214,109	2,180,395

Notes to the Financial Statements
31 March 2020

14. Cash and cash equivalents (cont'd)

14B. Cash and cash equivalents amounting to $25,626 (2019: $49,015) are monies received under restricted funds.

14C. The rate of interest for the cash on interest earning balances is 1.35% to 1.67% (2019: 1.50% to 1.85%) per annum.

14D. Cash and cash equivalents in the statement of cash flows

	2020	2019
	$	$
Amount as shown above	**9,661,191**	7,071,714
Restricted in use	**(3,239,735)**	(2,229,410)
Cash and cash equivalents for statement of cash flows purposes at end of the year	**6,421,456**	4,842,304

15. Funds of the Foundation

15A. The funds of the Foundation are as follows:

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.

Notes to the Financial Statements
31 March 2020

15. Funds of the Foundation (cont'd)

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.

During the reporting year, the Foundation obtained its Sector Administrator's approval to re-purpose this restricted fund to support the expenses of its wellness centres.

Restricted Funds

Restricted Funds comprise of the following restricted funds whereby donors made donations for the purpose(s) as specified in each of the funds below:

(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.

15B. 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 reserves and fund management during the reporting year.

The Foundation's reserve position is as follows:

	2020 **$**	2019 $
Accumulated unrestricted funds	**28,144,587**	26,750,306
Annual operating expenditure	**12,516,092**	12,061,940
Ratio of unrestricted reserves to annual operating expenditure	**2.25**	2.22

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

Notes to the Financial Statements
31 March 2020

15. Funds of the Foundation (cont'd)

15B. 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.

16. Provision

	2020 $	2019 $
Provision for dismantling and removing	**15,000**	–

Provision for dismantlement, removal or restoration is the estimated costs of dismantlement, removal or restoration of plant and equipment arising from use of assets, which are capitalised and included in the cost of right-of-use assets. The unwinding of discount is not significant.

17. Lease liabilities

	2020 $
Lease liabilities	
Current	**156,819**
Non-current	**95,725**
	252,544

Movements in lease liabilities are as follows:

	2020 $
Balance at the beginning of the year	–
Impact of adoption of SFRS 116 (Note 25)	**254,059**
Balance at the beginning of the year – restated	**254,059**
Additions	**147,670**
Accretion of interest	**16,010**
Lease payments – principal portion paid	**(149,185)**
Interest expense paid	**(16,010)**
Balance at the end of the year	**252,544**

Notes to the Financial Statements
31 March 2020

17. Lease liabilities (cont'd)

The new standard on leases has been applied using the modified retrospective transition approach. Therefore no comparative amounts for the year ended 31 March 2019 are presented.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-to-use assets. The right-to-use assets are disclosed in Note 10.

On transition to the new standard on leases, the weighted average incremental borrowing rates applied to lease liabilities recognised was 5% per annum. The right-of-use assets and the corresponding lease liabilities before the date of initial application are measured at the same amounts as under the new standard.

Reconciliation of lease commitments and lease liabilities at the date of initial application:

	2020 $
Operating lease commitments as at 31 March 2019	**271,864**
Discounted using incremental borrowing rate	**(17,805)**
Total lease liabilities recognised at 1 April 2019	**254,059**

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

2020	Minimum payments $	Finance charges $	Present value $
Minimum lease payments payable:			
Not later than one year	165,195	(8,376)	156,819
Between 2 to 5 years	97,274	(1,549)	95,725
Total	262,469	(9,925)	252,544

Total cash outflows for leases for the year ended 31 March 2020 are shown in the statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

At reporting year date there were no commitments on leases which had not yet commenced.

The total for lease liabilities and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) is a reasonable approximation of the carrying amount.

Notes to the Financial Statements
31 March 2020

18. Trade and other payables

	2020 $	2019 $
Trade payables:		
Outside parties	**439,171**	500,320
Other payables:		
Outside parties and accrued liabilities	**1,327,583**	1,351,095
Total trade and other payables	**1,766,754**	1,851,415

19. Other liabilities

	2020 $	2019 $
Donations received in advance (Note 19A)	**38,929**	42,356
Deferred capital grants (Note 19B)	**1,035,058**	995,399
Deferred grant (Note 19C)	**691,553**	–
Grants received in advance (Note 19D)	**3,503,034**	2,138,039
	5,268,574	3,175,794

19A. Donations received in advance

	2020 $	2019 $
Balance at beginning of the year	**42,356**	187,046
Utilised during the year	**(3,427)**	(144,690)
Balance at end of the year	**38,929**	42,356

19B. Deferred capital grants

	2020 $	2019 $
Balance at beginning of the year	**995,399**	1,361,485
Grant received during the year	**453,252**	8,608
Amortisation for the year	**(413,401)**	(374,694)
Written off	**(192)**	–
Balance at end of the year	**1,035,058**	995,399

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

Notes to the Financial Statements
31 March 2020

19. Other liabilities (cont'd)

19C. Deferred grant

Deferred grant relates to the estimated payout under the Jobs Support Scheme that the Foundation is expecting to receive in April 2020. The Jobs Support Scheme is introduced by the government under the Stabilisation and Support Package that was announced during Budget 2020, with the intention of providing greater assurance and support to workers and enterprises during the COVID-19 pandemic

19D. Grants received in advance

	Care & Share	Community Silver Trust	Medifund and Medifund Silver	Total
	$	$	$	$
2020				
Balance at beginning of the year	107,910	1,990,152	39,977	2,138,039
Grants received during the year	–	2,553,872	386,800	2,940,672
Utilised during the year	(41,359)	(1,213,234)	(321,084)	(1,575,677)
Balance at end of the year	66,551	3,330,790	105,693	3,503,034
2019				
Balance at beginning of the year	129,253	2,834,138	161,364	3,124,755
Grants received during the year	–	–	223,900	223,900
Utilised during the year	(21,343)	(843,986)	(345,287)	(1,210,616)
Balance at end of the year	107,910	1,990,152	39,977	2,138,039

Care & Share grant is a scheme whereby the government will provide a matching grant for donations raised by the Foundation. The grant can be used to fund programmes / activities that contribute to building the Foundation's capability or capacity, or to fund new programmes that aim to meet emerging or unmet needs of social service sector and enhancements / expansion of the existing services that the Foundation provides or cover the costs of meeting the critical existing needs of the Foundation.

Community Silver Trust grant 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.

Notes to the Financial Statements
31 March 2020

20. 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.

21. Financial instruments: information on financial risks

21A. Categories of financial assets and liabilities

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

	2020 $	2019 $
Financial assets:		
At amortised cost	**31,051,407**	28,590,670
At FVTPL	**5,727,819**	5,367,857
	36,779,226	33,958,527
Financial liabilities:		
At amortised cost	**2,019,298**	1,851,415

Further quantitative disclosures are included throughout these financial statements.

21B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Foundation's operating, investing and financing activities. There are exposure to the financial risks on the financial instruments such as credit risk and liquidity risk. 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 senior management staff. All financial risk management activities are carried out following acceptable market practices.

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

Notes to the Financial Statements
31 March 2020

21. Financial instruments: information on financial risks (cont'd)

21C. 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.

21D. 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. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets 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. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL, unless the assets are considered credit impaired.

Cash and cash equivalents as disclosed in Note 14 are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

21E. Liquidity risk – financial liabilities maturity analysis

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 settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2019: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

Notes to the Financial Statements
31 March 2020

21. Financial instruments: information on financial risks (cont'd)

21E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The Foundation monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Foundation's operations and to mitigate the effects of fluctuations in cash flows.

The following table analyses non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year	1 – 5 years	Total
	$	$	$
2020			
Gross lease liabilities	165,195	97,274	262,469
Trade and other payables	1,766,754	–	1,766,754
	1,931,949	97,274	2,029,223
2019			
Trade and other payables	1,851,415	–	1,851,415

21F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	2020	2019
	$	$
Financial assets with interest:		
Fixed rates	**22,946,824**	24,038,056
Financial liabilities with interest:		
Fixed rates	**252,544**	–

The interest rates are disclosed in Notes 11, 14 and 17.

Sensitivity analysis: The effect on pre-tax profit is not significant.

Notes to the Financial Statements
31 March 2020

21. Financial instruments: information on financial risks (cont'd)

21G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The Foundation is not exposed to significant foreign currency risks.

22. Events after the end of the reporting year

On 31 January 2020, the World Health Organisation announced the COVID-19 outbreak as a global health emergency. The Singapore government implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020 to curb the trend of increasing local transmission of COVID-19. This has created a high level of uncertainty to the local economic prospects and may impact the Foundation's operations and financial performance subsequent to the financial year end. As the situation continues to evolve with significant level of uncertainty, the Foundation is unable to reasonably estimate the full financial impact of this outbreak.

23. Changes and adoption of financial reporting standards

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Foundation are listed below. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and measurement as disclosed in Note 25 below.

SFRS No.	Title
SFRS 116	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)

24. New or amended standards in issue but not yet effective

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Foundation for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Foundation's financial statements in the period of initial application.

Notes to the Financial Statements
31 March 2020

24. New or amended standards in issue but not yet effective (cont'd)

SFRS No.	Title	Effective date for periods beginning on or after
	The Conceptual Framework for Financial Reporting	1 January 2020
SFRS 1 and 8	Definition of Material – Amendments to SFRS 1 and 8	1 January 2020
SFRS 116	Amendment to SFRS 116: COVID-19 Related Rent Concessions	1 June 2020
SFRS 1	Amendment to SFRS 1: Classification of Liabilities as Current or Non-current	1 January 2023

25. Changes in accounting policies

Effective from beginning of the current reporting year, certain new or revised financial reporting standards were adopted as mentioned in Note 23. Adoption of those policies and any other changes have resulted in some changes in the application of the accounting policies and some modifications to financial statements presentation and these changes are summarised below.

SFRS 116 *Leases*:
The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee, almost all leases are brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the Foundation has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted in the current reporting year 2020 by the application of the new standard on leases are disclosed in Notes 10 and 17 to the financial statements. The Foundation elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach, the comparative information is not restated and therefore there is no presentation of a third column for the statement of financial position.