

**ADVENTIST HOME FOR THE ELDER  
AND ITS SUBSIDIARY**

[UEN. S80SS0046B]  
[IPC No. IPC000385]

[Registered under the Societies-Act, Chapter 311  
in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2018**

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**CONTENTS**

Statement by the Management Committee	2
Independent Auditor's Report	3
Consolidated Statement of Financial Activities	7
Statement of Financial Activities- Home	11
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Funds	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16

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**Fiducia LLP**

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**STATEMENT BY MANAGEMENT COMMITTEE**

In the opinion of the Management Committee,

- (a) the statement of financial position of **Adventist Home for the Elders** (the "Home") and the consolidated financial statements of the Group are drawn up so as to present fairly, in all material respects, the state of affairs of Group as at 31 December 2018 and the results, changes in funds and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

**27 JUN 2019**

Wan Kwong Weng  
Choong Loon @ Chong Kok Loon  
Foo Chee Fah  
Cheng Chay Choo Ruth  
Oi Keng Hunt  
Seah Siew Beng Albert  
Han Wee Lan  
Andrew Samuel Ing  
Ong Ang Toh

Chairman  
Vice Chairman  
Vice Chairman  
Secretary  
Treasurer  
Assistant Treasurer  
Committee Member  
Committee Member  
Committee Member

On behalf of the Management Committee,



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Wan Kwong Weng  
Chairman



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Oi Keng Hunt  
Treasurer

Singapore, **27 JUN 2019**

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Independent Auditor's report to the members of:

### **ADVENTIST HOME FOR THE ELDERS AND ITS SUBSIDIARY**

[Unique Entity No. S80SS0046B]  
[IPC No. IPC000385]

[Registered under the Societies-Act, Chapter 311  
in the Republic of Singapore]

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **Adventist Home for the Elders** (the "Home") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Home as at 31 December 2018, the consolidated statement of financial activities and statement of financial activities of the Home, consolidated statement of changes in funds and consolidated statement of cash flows of the Group and the statement of financial activities of the Home for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Home 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"), Companies Act Chapter 50 (the "Company Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Group and of the Home as at 31 December 2018, and the results, changes in funds and cash flows of the Group for the financial 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory ("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 audit opinion.

### **Other Information**

Management is responsible for the other information. The other information comprises the Statement by Management Committee for the Home but does not include the financial statements and our auditors' 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent Auditor's report to the members of:

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### **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, Companies 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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### **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required to be kept by the Group have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Companies Act Societies Act, the Charities Act and Regulations.

In our opinion, the accounting and other records required by the subsidiary cooperation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act.

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Independent Auditor's report to the members of:

### **ADVENTIST HOME FOR THE ELDERS AND ITS SUBSIDIARY**

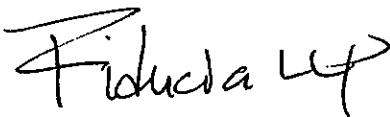
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#### **Report on Other Legal and Regulatory Requirements (Cont'd)**

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

- (a) the Home 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 Home has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore, **27 JUN 2019**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted fund	Restricted funds		Total funds
		General Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	
<b>2018</b>					
<b>INCOME</b>					
<b>Income from generating fund</b>					
<b>Voluntary income</b>					
Donations					
- Non-tax deductible		23,816	0	0	23,816
- Tax deductible	4	141,590	0	0	141,590
Public assistance		41,658	0	0	41,658
Government and other grants		15,354	0	83,451	98,805
		<u>222,418</u>	<u>0</u>	<u>83,451</u>	<u>305,869</u>
<b>Income from charitable activities</b>					
Contribution from residents		244,076	0	0	244,076
Collections from classes		3,789	0	0	3,789
Collections from events		6,685	0	0	6,685
		<u>254,550</u>	<u>0</u>	<u>0</u>	<u>254,550</u>
<b>Investment income</b>					
Collaboration fee		40,800	0	0	40,800
Interest income		1,428	0	0	1,428
		<u>42,228</u>	<u>0</u>	<u>0</u>	<u>42,228</u>
<b>Other income</b>					
Interest income		56	0	0	56
Contribution from patients		6,777	0	0	6,777
Utility expense recovered		2,703	0	0	2,703
Miscellaneous sales		1,765	0	0	1,765
Third party's subsidy received		6,319	0	0	6,319
Others		2,478	0	0	2,478
		<u>20,098</u>	<u>0</u>	<u>0</u>	<u>20,098</u>
Total income		<u>539,294</u>	<u>0</u>	<u>83,451</u>	<u>622,745</u>
<b>EXPENDITURE</b>					
<b>Cost of charitable activities</b>					
Event and outing expenses		15,525	0	0	15,525
Food expenses		16,913	0	0	16,913
Living allowance		1,620	0	0	1,620
Professional fee		49,195	0	0	49,195
Staff costs	5	107,811	0	0	107,811
		<u>191,064</u>	<u>0</u>	<u>0</u>	<u>191,064</u>

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONT'D)**

	Note	Unrestricted fund	Restricted funds		Total funds
		General Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	
<b>2018</b>					
<b>EXPENDITURE (CONT'D)</b>					
<b>Governance and administrative costs</b>					
Audit fee		5,350	0	0	5,350
Bank charges		345	0	0	345
Cost of clinic medicine, clinic supply		2,065	0	0	2,065
Depreciation	11	40,489	0	42,523	83,012
Insurance		4,722	0	0	4,722
Licences fee		(145)	0	0	(145)
Minor fixed assets		1,637	0	0	1,637
Miscellaneous expenses		8,635	0	0	8,635
Printing and stationery		3,370	0	0	3,370
Recruitment expenses		232	0	0	232
Rental expenses		110,346	0	0	110,346
Repair and maintenance		8,225	0	0	8,225
Staff costs	5	291,888	0	0	291,888
Sub contract and consultant work		7,820	0	0	7,820
Telecommunication		6,512	0	0	6,512
Transportation fee		1,659	0	0	1,659
Town council expenses		3,403	0	0	3,403
Upkeep of motor vehicle		105	0	0	105
Water and electricity		28,808	0	0	28,808
		<u>525,466</u>	<u>0</u>	<u>42,523</u>	<u>567,989</u>
<b>Total expenses</b>		<u>716,530</u>	<u>0</u>	<u>42,523</u>	<u>759,053</u>
<b>Net expenditure before tax expense</b>		<u>(177,236)</u>	<u>0</u>	<u>40,928</u>	<u>(136,308)</u>
<b>Income tax (subsidiary)</b>	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net expenditure</b>		<u>(177,236)</u>	<u>0</u>	<u>40,928</u>	<u>(136,308)</u>
<b>Total funds brought forward</b>		<u>965,993</u>	<u>41,874</u>	<u>195,715</u>	<u>1,203,582</u>
<b>Total funds carried forward</b>		<u>788,757</u>	<u>41,874</u>	<u>236,643</u>	<u>1,067,274</u>

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



**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted fund	Restricted funds		Total funds
		General Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	
<b>2017</b>					
<b>INCOME</b>					
<b>Income from generating fund</b>					
<b>Voluntary income</b>					
Donations					
- Non-tax deductible		15,352	0	0	15,352
- Tax deductible	4	179,685	0	0	179,685
Public assistance		38,500	0	0	38,500
Government and other grants		12,206	0	3,309	15,515
		<u>245,743</u>	<u>0</u>	<u>3,309</u>	<u>249,052</u>
<b>Income from charitable activities</b>					
Contribution from residents		235,474	0	0	235,474
Collections from classes		4,657	0	0	4,657
Collections from events		3,662	0	0	3,662
		<u>243,793</u>	<u>0</u>	<u>0</u>	<u>243,793</u>
<b>Investment income</b>					
Collaboration fee		37,500	0	0	37,500
Interest income		1,810	0	0	1,810
		<u>39,310</u>	<u>0</u>	<u>0</u>	<u>39,310</u>
<b>Other income</b>					
Interest income		113	0	0	113
Services charges		6,400	0	0	6,400
Utility expense recovered		2,944	0	0	2,944
Miscellaneous sales		3,813	0	0	3,813
Others		1,200	0	0	1,200
		<u>14,470</u>	<u>0</u>	<u>0</u>	<u>14,470</u>
Total income		<u>543,316</u>	<u>0</u>	<u>3,309</u>	<u>546,625</u>
<b>EXPENDITURE</b>					
<b>Cost of charitable activities</b>					
Event and outing expenses		19,271	0	0	19,271
Food expenses		19,494	0	0	19,494
Living allowance		1,890	0	0	1,890
Staff costs	5	146,221	0	0	146,221
		<u>186,876</u>	<u>0</u>	<u>0</u>	<u>186,876</u>

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)**

	Note	Unrestricted fund	Restricted funds		Total funds
		General Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	S\$
<b>2017 EXPENDITURE (CONT'D)</b>					
<b>Governance and administrative costs</b>					
Audit fee		5,350	0	0	5,350
Bank charges		235	0	0	235
Bookkeeping service fee		2,140	0	0	2,140
Depreciation	11	39,618	0	44,038	83,656
Insurance		5,347	0	0	5,347
Licences fee		770	0	0	770
Miscellaneous purchase		683	0	0	683
Minor fixed assets		1,754	0	0	1,754
Miscellaneous expenses		13,350	0	0	13,350
Printing and stationery		10,646	0	0	10,646
Recruitment expenses		30	0	0	30
Rental expenses		129,241	0	0	129,241
Repair and maintenance		6,500	0	0	6,500
Staff costs	5	266,749	0	0	266,749
Sub contract and consultant work		1,882	0	0	1,882
Telecommunication		7,112	0	0	7,112
Transportation fee		2,385	0	0	2,385
Upkeep of motor vehicle		1,169	0	0	1,169
Water and electricity		26,215	0	0	26,215
		<u>521,176</u>	<u>0</u>	<u>44,038</u>	<u>565,214</u>
Total expenses		<u>708,052</u>	<u>0</u>	<u>44,038</u>	<u>752,090</u>
<b>Net expenditure before tax expense</b>		<u>(164,736)</u>	<u>0</u>	<u>(40,729)</u>	<u>(205,465)</u>
<b>Income tax</b>	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net expenditure</b>		<u>(164,736)</u>	<u>0</u>	<u>(40,729)</u>	<u>(205,465)</u>
<b>Total funds brought forward</b>		<u>1,130,729</u>	<u>41,874</u>	<u>236,444</u>	<u>1,409,047</u>
<b>Total funds carried forward</b>		<u>965,993</u>	<u>41,874</u>	<u>195,715</u>	<u>1,203,582</u>

The accompanying notes form an integral part of these financial statements

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 FOR THE HOME**

	2018				2017			
	General fund	Restricted fund		Total funds	General fund	Restricted fund		Total funds
	S\$	Maintenance and Development fund	Care and Share fund	S\$	S\$	Maintenance and Development fund	Care and Share fund	S\$
<b>INCOME</b>								
<b>Income from generating fund</b>								
<i>Voluntary income</i>								
Donations								
- Non-tax deductible	23,816	0	0	23,816	15,352	0	0	15,352
- Tax deductible	141,590	0	0	141,590	179,685	0	0	179,685
Public assistance	41,658	0	0	41,658	38,500	0	0	38,500
Government and other grants	15,354	0	83,451	98,805	12,206	0	3,309	15,515
	<u>222,418</u>	<u>0</u>	<u>83,451</u>	<u>305,869</u>	<u>245,743</u>	<u>0</u>	<u>3,309</u>	<u>249,052</u>
<b>Income from charitable activities</b>								
Contribution from residents	244,076	0	0	244,076	235,474	0	0	235,474
Collection from classes	3,789	0	0	3,789	4,657	0	0	4,657
Collection from events	6,685	0	0	6,685	3,662	0	0	3,662
	<u>254,550</u>	<u>0</u>	<u>0</u>	<u>254,550</u>	<u>243,793</u>	<u>0</u>	<u>0</u>	<u>243,793</u>
<b>Investment income</b>								
Collaboration fee	40,800	0	0	40,800	37,500	0	0	37,500
Interest income	1,428	0	0	1,428	1,810	0	0	1,810
	<u>42,228</u>	<u>0</u>	<u>0</u>	<u>42,228</u>	<u>39,310</u>	<u>0</u>	<u>0</u>	<u>39,310</u>
<b>Other income</b>								
Interest income	56	0	0	56	113	0	0	113
Services charges	0	0	0	0	6,400	0	0	6,400
Utility expenses recovered	2,703	0	0	2,703	2,944	0	0	2,944
Miscellaneous sales	1,765	0	0	1,765	3,813	0	0	3,813
Administration cost	15,600	0	0	15,600	0	0	0	0
Others	2,478	0	0	2,478	1,200	0	0	1,200
	<u>22,602</u>	<u>0</u>	<u>0</u>	<u>22,602</u>	<u>14,470</u>	<u>0</u>	<u>0</u>	<u>14,470</u>
<b>Total income</b>	<b>541,798</b>	<b>0</b>	<b>83,451</b>	<b>625,249</b>	<b>543,316</b>	<b>0</b>	<b>3,309</b>	<b>546,625</b>

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 FOR THE HOME (CONT'D)

	2018				2017			
	General fund	Restricted fund		Total funds	General fund	Restricted fund		Total funds
	S\$	Maintenance and Development fund	Care and Share fund	S\$	S\$	Maintenance and Development fund	Care and Share fund	S\$
<b>EXPENSES</b>								
<b>Cost of charitable activities</b>								
Event and outing expenses	15,525	0	0	15,525	19,271	0	0	19,271
Food expenses	16,913	0	0	16,913	19,494	0	0	19,494
Living allowance	1,620	0	0	1,620	1,890	0	0	1,890
Staff costs	107,811	0	0	107,811	146,221	0	0	146,221
	<u>141,869</u>	<u>0</u>	<u>0</u>	<u>141,869</u>	<u>186,876</u>	<u>0</u>	<u>0</u>	<u>186,876</u>
<b>Governance and administrative costs</b>								
Audit fee	3,210	0	0	3,210	3,210	0	0	3,210
Allowance for impairment of other receivables	80,000	0	0	80,000	0	0	0	0
Bank charges	255	0	0	255	235	0	0	235
Bookkeeping service fee	0	0	0	0	2,140	0	0	2,140
Depreciation	37,505	0	42,523	80,028	38,318	0	44,038	82,356
Insurance	4,722	0	0	4,722	5,347	0	0	5,347
Minor fixed assets	1,177	0	0	1,177	1,754	0	0	1,754
Miscellaneous expenses	8,499	0	0	8,499	13,322	0	0	13,322
Printing and stationery	3,281	0	0	3,281	10,448	0	0	10,448
Recruitment expenses	232	0	0	232	30	0	0	30
Rental expenses	110,346	0	0	110,346	129,241	0	0	129,241
Repair and maintenance	7,705	0	0	7,705	6,500	0	0	6,500
Staff costs	291,468	0	0	291,468	266,657	0	0	266,657
Sub contract and consultant work	7,820	0	0	7,820	1,882	0	0	1,882
Telecommunication	5,370	0	0	5,370	6,635	0	0	6,635
Town council expenses	3,403	0	0	3,403	0	0	0	0
Transportation fee	1,659	0	0	1,659	2,385	0	0	2,385
Upkeep of motor vehicle	105	0	0	105	1,169	0	0	1,169
Water and electricity	28,808	0	0	28,808	26,215	0	0	26,215
	<u>595,565</u>	<u>0</u>	<u>42,523</u>	<u>638,088</u>	<u>515,488</u>	<u>0</u>	<u>44,038</u>	<u>559,526</u>
<b>Net (loss) / income</b>	<b>(195,636)</b>	<b>0</b>	<b>40,928</b>	<b>(154,708)</b>	<b>(159,048)</b>	<b>0</b>	<b>(40,729)</b>	<b>(199,777)</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

	Note	Group		Home	
		2018 S\$	2017 S\$	2018 S\$	2017 S\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	127,467	216,281	103,360	215,181
Fixed deposits	8	571,275	569,852	571,275	569,852
Inventories	9	6,996	0	0	0
Other receivables	10	54,367	32,084	78,439	44,604
		<u>760,105</u>	<u>818,217</u>	<u>753,074</u>	<u>829,637</u>
<b>Non-current assets</b>					
Property, plant and equipment	11	400,506	471,845	393,341	464,639
Investment in subsidiary	12	0	0	100	100
Financial assets, available-for-sale	13	0	7,000	0	7,000
Financial assets, at FVOCI	13	7,000	0	7,000	0
		<u>407,506</u>	<u>478,845</u>	<u>400,441</u>	<u>471,739</u>
<b>Total assets</b>		<u>1,167,611</u>	<u>1,297,062</u>	<u>1,153,515</u>	<u>1,301,376</u>
<b>LIABILITY</b>					
<b>Current liability</b>					
Other payables	14	100,337	93,480	98,187	91,340
<b>Total liability</b>		<u>100,337</u>	<u>93,480</u>	<u>98,187</u>	<u>91,340</u>
<b>NET ASSETS</b>		<u>1,067,274</u>	<u>1,203,582</u>	<u>1,055,328</u>	<u>1,210,036</u>
<b>FUNDS</b>					
<b>Unrestricted fund</b>					
General fund		<u>788,757</u>	<u>965,993</u>	<u>786,811</u>	<u>972,447</u>
<b>Restricted funds</b>					
Care and Share Fund		236,643	195,715	236,643	195,715
Maintenance and Development Fund		<u>41,874</u>	<u>41,874</u>	<u>41,874</u>	<u>41,874</u>
		<u>278,517</u>	<u>237,589</u>	<u>278,517</u>	<u>237,589</u>
<b>TOTAL FUNDS</b>	15	<u>1,067,274</u>	<u>1,203,582</u>	<u>1,055,328</u>	<u>1,210,036</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Care and Share Fund S\$	Maintenance and Development Fund S\$	Total S\$	
<b>2018</b>					
Total funds at beginning of year	965,993	195,715	41,874	237,589	1,203,582
Net income/expenditure	(177,236)	40,928	0	40,928	(136,308)
Total funds at end of the year	<u>788,757</u>	<u>236,643</u>	<u>41,874</u>	<u>278,517</u>	<u>1,067,274</u>

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Care and Share Fund S\$	Maintenance and Development Fund S\$	Total S\$	
<b>2017</b>					
Total funds at beginning of year	1,130,729	236,444	41,874	278,318	1,409,047
Net expenditure	(164,736)	(40,729)	0	(40,729)	(205,465)
Total funds at end of the year	<u>965,993</u>	<u>195,715</u>	<u>41,874</u>	<u>237,589</u>	<u>1,203,582</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31  
DECEMBER 2018**

	Note	2018 S\$	2017 S\$
<b>Cash flows from operating activities</b>			
Net expenditure		(136,308)	(205,465)
Adjustments for:			
- Depreciation	11	83,012	83,656
- Interest income		(1,484)	(1,810)
Operating cash flow before working capital changes		(54,780)	(123,619)
Changes in working capital			
- Inventories		(6,996)	0
- Other receivables		(22,283)	51,200
- Other payables		6,857	12,858
Cash used in operations		(77,202)	(59,561)
Interest received		1,484	1,810
<b>Net cash used in operating activities</b>		<b>(75,718)</b>	<b>(57,751)</b>
<b>Cash flows from investing activities</b>			
Increase in fixed deposits		(1,423)	(1,422)
Purchases of property, plant and equipment	11	(11,673)	(84,516)
<b>Net cash used in investing activities</b>		<b>(13,096)</b>	<b>(85,938)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(88,814)</b>	<b>(143,689)</b>
Cash and cash equivalents at beginning of financial year		216,281	359,970
<b>Cash and cash equivalents at end of financial year</b>	7	<b>127,467</b>	<b>216,281</b>

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER  
2018**

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

**1. General information**

Adventist Home for the Elders (the "Home") was registered on 21 August 1980 under the Societies Act, Chapter 311. The Home is a charity registered under the Charities Act, Chapter 37 since 28 July 1986. The sector administrator of the Home is Ministry of Social and Family Development ("MSF").

The Home's registered address and principal place of operation is located at Block 195 Kim Keat Avenue, #01-294, Singapore 310195.

The Home has been accorded an Institution of a Public Character ("IPC") status for the period from 1 August 2018 to 31 January 2020.

The objective of the Home is to serve in the spirit of love.

There are three active centres managed by the Home:

- Adventist Active Centre @Golden Peony at Block 530A Jurong West Avenue 1, #01-907, Singapore 641530
- Adventist Active Centre @Golden Clover at Block 196, Kim Keat Avenue, #01-506, Singapore 310196
- Adventist Active Centre @Kallang Trivista at Block 8 Upper Boon Keng Road, #01-02 Singapore 380008

On 10 November 2016, a private limited company, Advent Medical Clinic Pte. Ltd. (the "Subsidiary") was incorporated. The two directors of the subsidiary are the Management Committee of the Home, namely the Vice-president and Honorary Treasurer, Choong Loon @Chong Kok Loon and Oi Keng Hunt. The principal activities of the Subsidiary are clinics and other general medical services.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs") and the disclosure requirements of the Societies Act, Chapter 311, Charities Act, Chapter 37, and Companies Act. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The consolidated financial statements are presented in Singapore Dollar ("S\$"), which is the Group's and Home's functional currency.



## 2. Significant accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### Interpretations and amendments to published standards effective in 2018

On 01 January 2018, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial year except for the following:

(i) Adoption of FRS 109 Financial instruments

The standard on financial instruments contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition. It 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. For financial liabilities, it also has requirements to cases where the fair value option is taken. For the impairment of financial assets, it introduces an "expected credit loss" ("ECL") model; recognition of a credit loss should no longer wait for there to be objective evidence of impairment. Prior reporting periods need not be restated.

The Group may restate prior periods, if and only if, it is possible without the use of hindsight. The Standard has been applied for the reporting year ended 31 December 2018 only. As the Group and Home do not restate prior periods, it has recognised the difference, if any, between the previous carrying amount and the carrying amount at 1 January 2018 in the opening general fund. The details of adjustments to opening balances as at 1 January 2018 are as below:

	As at 01.01.2018 S\$	As at 31.12.2017 S\$	Changes S\$
Statement of financial position:			
Non-current assets			
Financial assets, Available-for-sale	0	7,000	(7,000)
Financial assets, FVTOCI	7,000	0	7,000

As permitted by FRS on the presentation of financial statements, the third statement of financial position at the beginning of the financial year is not presented because retrospective restatement or the reclassification has no material effect on the information in the statement of financial position at the beginning of the financial year. However, related notes relating to the above balance only (that were reclassified in the statement of financial position) are presented. Apart from these disclosures, other balances and notes are not impacted by reclassifications.

**2. Significant accounting policies (Cont'd)**

**2.1 Basis of preparation (Cont'd)**

**Standards issued but not yet effective**

The Group has not adopted the following standards that have been issued but not yet effective:

Descriptions	Annual periods commencing on
FRS 116 Leases Amendments to: - FRS 28 Investments in associates (Long term interests in associates and joint venture) - FRS 19 Employee benefits (Plan amendments, curtailment or settlement) - FRS 109 Financial Instruments (Prepayment features with negative compensation)	1 January 2019
Amendments to: - FRS 103 Business Combinations (Definition of a business)	1 January 2020
FRS 117 Insurance contracts	1 January 2021
FRS 110 Consolidated financial statement and FRS 28 Investment in associates and joint venture (Sale or contribution of assets between an investor and its associate or joint venture)	To be determined

Except for FRS 116, Lease, the Management Committee believes that the adoption of the revised standards and interpretations do not have material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described as below.

**FRS 116 Leases**

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA.

## **2. Significant accounting policies (Cont'd)**

### **2.2 Income recognition**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

#### **2.2.1 Donations**

Donations are taken up and accrued as and when they are committed. Those uncommitted donations are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

#### **2.2.2 Contributions from residents**

Contributions from residents are recognised on accrual basis.

#### **2.2.3 Government Grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants, relating to costs are deferred and recognised in the statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

#### **2.2.4 Collections from classes**

Collections from classes are recognised on a monthly basis at end of the month.

#### **2.2.5 Collections from events**

Collections from events are recognised at the end of the event.

#### **2.2.6 Collaboration fee**

Collaboration fee are recognised on a time proportion basis that takes into account the yield on the asset on a straight-line basis over the lease term.

#### **2.2.7 Rendering of services**

Revenue from services orders are recognised when the Group 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.

#### **2.2.8 Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method, unless collectability is in doubt.

#### **2.2.5 Other income**

Other income is recognised when received.

## **2. Significant accounting policies (Cont'd)**

### **2.3 Expense recognition**

All expenses are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

#### **2.3.1 Cost of charitable activities**

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Group. The total costs of charitable expenses are apportionment of overhead and shared costs.

#### **2.3.2 Governance and administrative costs**

Governance and administrative costs include the costs of governance arrangement, which relate to the general running of the Group, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

### **2.4 Group accounting**

#### **2.4.1 Subsidiaries**

##### **(i) Consolidation**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Home. They are shown separately in the consolidated statement of financial activities, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

**2. Significant accounting policies (Cont'd)**

**2.4 Group accounting (Cont'd)**

**2.4.1 Subsidiaries (Cont'd)**

(ii) Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in statement of financial activities.

Investments in subsidiary are carried at cost less accumulated impairment losses in the Home's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

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## 2. Significant accounting policies (Cont'd)

### 2.5 Property, plant and equipment

#### 2.5.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

#### 2.5.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful life
Furniture and equipment	3 - 10 years
Motor vehicle	10 years
Leasehold improvement	10 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the statement of financial activities when the changes arise.

#### 2.5.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the 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 repair and maintenance expenses are recognised in statement of financial activities when incurred.

#### 2.5.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposals proceeds and its carrying amount is recognised in statement of financial activities.

## **2. Significant accounting policies (Cont'd)**

### **2.6 Impairment of non-financial assets**

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of financial activities.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in statement of financial activities.

### **2.7 Financial assets**

(a) The accounting for financial assets before 1 January 2018 under FRS 39 are as follows:

Loan and receivables  
*Cash and bank deposits*  
*Other receivables*  
*Financial assets, available-for-sale*

Cash and bank deposits, other receivables and financial assets, available-for-sale are initially recognised at fair values plus transaction costs and subsequently carried at amortised cost using effective interest method, less accumulated impairment losses.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

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## Significant accounting policies (Cont'd)

### 2.7 Financial assets (Cont'd)

- (b) The accounting for financial assets from 1 January 2018 under FRS 109 are as follows:

The Group classifies its financial assets into the following measurement categories:

- Amortised costs;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL)

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

- (i) At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of financial activities.

- (ii) At subsequent measurement

#### Debt instrument

Debt instruments of the Group mainly comprise of cash and bank deposits, and trade receivables.

There are three prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets. The Group managed these groups of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.



## **2. Significant accounting policies (Cont'd)**

### **2.7 Financial assets (Cont'd)**

(b) The accounting for financial assets from 1 January 2018 under FRS 109 are as follows:  
(Cont'd)

(ii) At subsequent measurement (Cont'd)

#### Equity investments

The Group has elected to recognise the changes in fair value of equity investments not held for trading in other comprehensive income as these are strategic investments and the Group considered this to be more relevant. Movement in fair values of investments classified as FVOCI are presented as "fair value gain and losses" in Other Comprehensive Income. Dividends from equity investments are recognised in statement of financial activities as "dividend income" or "share of profit"

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

On disposal, the differences between the carrying amount and sales proceed is recognised in statement of financial activities if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceed amount would be recognised in other comprehensive income and transferred to accumulated fund along with the amount previously recognised in other comprehensive income relating to that asset.

### **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, and deposits with financial institutions that are subject to an insignificant risk of change in value.

Fixed deposits that have short maturities of three months or less from the date of acquisition are reported as cash equivalent. All other fixed deposits are reported separately in the statement of financial position.

### **2.9 Inventories**

Inventories are carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less applicable variable selling expenses. Cost is determined using the first-in, first-out basis. Costs include all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### **2.10 Other payables**

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

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

## **2. Significant accounting policies (Cont'd)**

### **2.11 Provisions for other liabilities and charges**

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

### **2.12 Financial liabilities**

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities

### **2.13 Fair value estimation of financial assets and liabilities**

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

### **2.14 Funds**

#### Unrestricted fund

Income and expenditure relating to the main activities of the Group are accounted for through the general fund in the statement of financial activities.

#### Restricted funds

Income and expenditure relating to funds set up for contributions/grants received and expenditure incurred for specific purpose is accounted for through the restricted funds in the statement of financial activities.

The assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled in the statement of financial position.

### **2.15 Operating lease**

Payments made under operating leases (net of any incentives received from the lessors) are recognised in statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in statement of financial activities when incurred.

## **2. Significant accounting policies (Cont'd)**

### **2.16 Employee compensation**

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

#### Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

### **2.17 Income tax**

Current income tax for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

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

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

Current and deferred income taxes are recognised as income or expenses in profit and loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

## **3. Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

#### Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

There is no critical judgement in applying the entity's accounting policies.

**4. Tax deductible receipts**

Tax deductible receipts issued by the Home for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

	Group and Home	
	2018	2017
	S\$	S\$
Statement of Financial Activities:		
- Donations	<u>141,590</u>	<u>179,685</u>

**5. Staff costs**

	Group	
	2018	2017
	S\$	S\$
CPF contributions	43,840	42,408
Foreign worker levy	14,247	14,160
Medical expenses	1,344	1,412
Salaries and bonuses	337,499	343,883
Staff welfare	4,409	4,087
Training expenses	(1,640)	7,020
	<u>399,699</u>	<u>412,970</u>
Staff costs are allocated as follows:		
- Costs of charitable activities	107,811	146,221
- Governance and administrative cost	291,888	266,749
	<u>399,699</u>	<u>412,970</u>

**6. Income tax**

The Home is registered as a Charity organisation under Charities Act, Chapter 37. Consequently, the income of the Home is exempted from income tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

The Group's income tax solely includes the profit before income tax attributable to its subsidiary.

	Group	
	2018	2017
	S\$	S\$
Tax expense attributable to profits is made up of:		
- Current income tax	<u>0</u>	<u>0</u>

## 6. Income tax (Cont'd)

The income tax expense varies from the amount of income tax determined by applying the Singapore income tax rate to profit before income tax as a result of the following:

	Group	
	2018 S\$	2017 S\$
Net income before income tax	(134,302)	(205,465)
Tax calculated at a tax rate of 17% (2017:17%)	(22,831)	(34,929)
Effects of:		
- Non-deductible expenses	0	0
- Expenses not subject to tax	12,359	33,962
- Deferred tax benefit not recognised	10,472	967
Tax charge	<u>0</u>	<u>0</u>

As at the reporting date, the Subsidiary had unabsorbed tax losses carried forward amounting to approximately S\$61,600 (2017: S\$NIL). The availability of the unused tax losses for offset against future taxable income is subject to agreement by the Singapore Controller of Income Tax and the requirement under Section 37 and 23 of Singapore Income Tax Act.

Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation in the foreseeable future.

## 7. Cash and cash equivalents

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Cash on hand	5,000	5,000	4,900	4,900
Cash at banks	<u>122,467</u>	<u>211,281</u>	<u>98,460</u>	<u>210,281</u>
	<u>127,467</u>	<u>216,281</u>	<u>103,360</u>	<u>215,181</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

## 8. Fixed deposits

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Fixed deposits	<u>571,275</u>	<u>569,852</u>	<u>571,275</u>	<u>569,852</u>

Fixed deposits at the reporting date had an average maturity of 7 months (2017: 7 months) from that date and had a weighted average effective interest rate of 0.25% (2017:0.25%) per annum.

At the reporting date, the carrying amounts of fixed deposits approximated their fair values.

**9. Inventories**

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Inventories	6,996	0	0	0

The cost of inventories recognised as an expense and included in "Governance and administrative costs" for the financial year amounted to S\$2,065.

**10. Other receivables**

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Amount due from:				
- related parties	6,400	8,406	6,400	8,406
- a subsidiary	0	0	104,072	12,520
	6,400	8,406	110,472	20,926
Less: Allowance for impairment	0	0	(80,000)	0
	6,400	8,406	30,472	20,478
Deposits	13,581	17,867	13,581	17,867
Receivables from residents	3,120	0	3,120	0
Interest receivables	1,050	1,047	1,050	1,047
Other receivables	26,768	4,764	26,768	4,764
Prepayment	2,348	0	2,348	0
Staff loan	1,100	0	1,100	0
	54,367	32,084	78,439	44,604

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Movement of allowance for impairment of other receivables				
Allowance made	0	0	80,000	0
End of financial year	0	0	80,000	0

Amount due from related parties, subsidiary were non-trade, interest free and repayable on demand.

At the reporting date, the carrying amounts of other receivables approximated their fair values.

**11. Property, plant and equipment**

<b>Group 2018</b>	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
<b>Cost</b>				
Beginning of financial year	225,708	56,417	569,169	851,294
Additions	4,573	0	7,100	11,673
End of financial year	<u>230,281</u>	<u>56,417</u>	<u>576,269</u>	<u>862,967</u>
<b>Accumulated depreciation</b>				
Beginning of financial year	104,932	5,619	268,898	379,449
Depreciation	20,812	5,642	56,558	83,012
End of financial year	<u>125,744</u>	<u>11,261</u>	<u>325,456</u>	<u>462,461</u>
<b>Carrying amount</b>	<u>104,537</u>	<u>45,156</u>	<u>250,813</u>	<u>400,506</u>
<b>Group 2017</b>	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
<b>Cost</b>				
Beginning of financial year	214,557	0	552,221	766,778
Additions	11,151	56,417	16,948	84,516
End of financial year	<u>225,708</u>	<u>56,417</u>	<u>569,169</u>	<u>851,294</u>
<b>Accumulated depreciation</b>				
Beginning of financial year	84,417	0	211,376	295,793
Depreciation	20,515	5,619	57,522	83,656
End of financial year	<u>104,932</u>	<u>5,619</u>	<u>268,898</u>	<u>379,449</u>
<b>Carrying amount</b>	<u>120,776</u>	<u>50,798</u>	<u>300,271</u>	<u>471,845</u>
<b>Home 2018</b>	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
<b>Cost</b>				
Beginning of financial year	217,756	56,417	568,569	842,742
Additions	1,630	0	7,100	8,730
End of financial year	<u>219,386</u>	<u>56,417</u>	<u>575,669</u>	<u>851,472</u>
<b>Accumulated depreciation</b>				
Beginning of financial year	103,616	5,619	268,868	378,103
Depreciation	17,888	5,642	56,498	80,028
End of financial year	<u>121,504</u>	<u>11,261</u>	<u>325,366</u>	<u>458,131</u>
<b>Carrying amount</b>	<u>97,882</u>	<u>45,156</u>	<u>250,303</u>	<u>393,341</u>

**11. Property, plant and equipment (Cont'd)**

<b>Home 2017</b>	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
<b>Cost</b>				
Beginning of financial year	213,167	0	552,221	765,388
Additions	4,589	56,417	16,348	77,354
End of financial year	<u>217,756</u>	<u>56,417</u>	<u>568,569</u>	<u>842,742</u>
<b>Accumulated depreciation</b>				
Beginning of financial year	84,371	0	211,376	295,747
Depreciation	19,245	5,619	57,492	82,356
End of financial year	<u>103,616</u>	<u>5,619</u>	<u>268,868</u>	<u>378,103</u>
<b>Carrying amount</b>	<u>114,140</u>	<u>50,798</u>	<u>299,701</u>	<u>464,639</u>

The following property, plant and equipment were purchased through the Care and Share Matching Fund as disclosed in Note 15.

<b>Home 2018</b>	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
<b>Cost</b>				
Beginning of financial year	122,476	56,417	240,844	419,737
Additions	0	0	3,500	3,500
End of financial year	<u>122,476</u>	<u>56,417</u>	<u>244,344</u>	<u>423,237</u>
<b>Accumulated depreciation</b>				
Beginning of financial year	29,174	5,619	44,630	79,423
Depreciation	12,680	5,642	24,201	42,523
End of financial year	<u>41,854</u>	<u>11,261</u>	<u>68,831</u>	<u>121,946</u>
<b>Carrying amount</b>	<u>80,622</u>	<u>45,156</u>	<u>175,513</u>	<u>301,291</u>

<b>Home 2017</b>	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
<b>Cost</b>				
Beginning of financial year	122,476	0	240,844	363,320
Additions	0	56,417	0	56,417
End of financial year	<u>122,476</u>	<u>56,417</u>	<u>240,844</u>	<u>419,737</u>
<b>Accumulated depreciation</b>				
Beginning of financial year	14,840	0	20,545	35,385
Depreciation	14,334	5,619	24,085	44,038
End of financial year	<u>29,174</u>	<u>5,619</u>	<u>44,630</u>	<u>79,423</u>
<b>Carrying amount</b>	<u>93,302</u>	<u>50,798</u>	<u>196,214</u>	<u>340,314</u>



**12. Investment in subsidiary**

	Home 2018 S\$	Home 2017 S\$
<u>Unquoted equity investment, at cost</u>		
Beginning and end of the financial year	100	100

The subsidiary commences its operations on 16 January 2018.

			Home 2018	
<u>Name</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Percentage equity held</u> %	<u>Cost of investment</u> S\$
Advent Medical Clinic Pte. Ltd.	Clinics and other General Medical Services	Singapore	100	100
			100	100

			Home 2017	
<u>Name</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Percentage equity held</u> %	<u>Cost of investment</u> S\$
Advent Medical Clinic Pte. Ltd.	Clinics and other General Medical Services	Singapore	100	100
			100	100

**13. Financial assets**

Other financial assets are classified as follows:

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Non- current assets:				
Financial assets, available-for-sale	0	7,000	0	7,000
Financial assets, FVOCI	7,000	0	7,000	0

The financial assets represent unquoted equity investments in two companies, incorporated in Singapore, with principal activities of provision of dental services and provision of physiology services, respectively. Equity investments previously classified as available-for-sale are now classified as FVOCI.

**13. Financial assets (Cont'd)**

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
<u>Financial assets, available-for sale</u>				
At beginning of financial year	7,000	7,000	7,000	7,000
Reclassification at 1 January 2018	(7,000)	0	(7,000)	0
At end of financial year	0	7,000	0	7,000

**14. Other payables**

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Amount due to a related party	6,000	6,000	6,000	6,000
Accrued operating expenses	41,722	48,490	39,582	46,350
Advance payment from residents	0	2,190	0	2,190
CPF payables	13,145	0	13,145	0
Deposits received from residents	38,000	36,800	38,000	36,800
Other payables	1,470	0	1,460	0
	100,337	93,480	98,187	91,340

Amount due to a related party are unsecured, interest-free and repayable on demand.

At the reporting date, the carrying amounts of other payables approximated their fair values.

**15. Funds**

Funds comprise of unrestricted and restricted fund.

**15.1 Unrestricted general fund**

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Home.

**15.2 Restricted funds**

Fund balances restricted by outside sources are 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.

**15. Funds (Cont'd)**

**15.2 Restricted funds (Cont'd)**

Restricted funds comprise:

**15.2.1 Care and Share Fund**

This is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacity in the provision of social services and programmes for its beneficiaries.

**15.2.2 Maintenance and Development Fund**

This fund is set up for future expansion of the Home.

Net assets of the restricted funds

	Care and Share fund S\$	Group and Home Maintenance and development fund S\$	Total S\$
<b>Total restricted funds as at 31 December 2018</b>	<u>236,643</u>	<u>41,874</u>	<u>278,517</u>
<b>Represented by:</b>			
Cash and bank balances	(64,648)	41,874	(22,774)
Property, plant and equipment	<u>301,291</u>	<u>0</u>	<u>301,291</u>
	<u>236,643</u>	<u>41,874</u>	<u>278,517</u>
	Care and Share fund S\$	Group and Home Maintenance and development fund S\$	Total S\$
<b>Total restricted funds as at 31 December 2017</b>	<u>195,715</u>	<u>41,874</u>	<u>237,589</u>
<b>Represented by:</b>			
Cash and bank balances	(144,599)	41,874	(102,725)
Property, plant and equipment	<u>340,314</u>	<u>0</u>	<u>340,314</u>
	<u>195,715</u>	<u>41,874</u>	<u>237,589</u>

## 16. Related party transactions

During the financial year, the Home had significant related party transactions with its related parties as follows, on terms agreed between the parties:

	Group		Home	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
<u>Subsidiary</u>				
Administration cost charged to a subsidiary	0	0	15,600	0
Advances to a subsidiary	0	0	10,000	10,000
Expenses paid on behalf of a subsidiary	0	0	65,952	10,410
	<u>0</u>	<u>0</u>	<u>65,952</u>	<u>10,410</u>

The Management Committee members did not receive any remuneration from the Home during the financial year.

Key management personnel compensation for the financial year was as follows:

	Group and Home	
	2018	2017
	S\$	S\$
Salaries, allowance and bonuses	193,580	194,753
CPF and SDL contributions	30,303	29,736
	<u>223,883</u>	<u>224,489</u>

The annual remuneration of key management personnel are classified as follows:

	Group and Home	
	2018	2017
Number of key management in remuneration bands		
S\$50,001 to S\$100,000	3	2
S\$50,000 and below	1	2
	<u>1</u>	<u>2</u>

The remuneration of key management personnel is determined by the Management Committee.

None of the three highest paid staff received remuneration exceeding S\$100,000.

**17. Management of conflict of interest**

There is no paid staff in the Home's Management Committee.

Management committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Home may enter into or in any organisations that the Home has dealings with or is considering dealing with, and any personal interest accruing to him as one of the Home's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Management Committee member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

**18. Operating lease commitments**

The Group's leases office premises under non-cancellable operating lease agreements from non-related parties.

	Group	
	2018 S\$	2017 S\$
Not later than one year	33,348	108,520
More than one year but not later than five years	0	29,774
	33,348	138,294

**19. Reserve position and policy**

The Home's reserve position for financial year ended 31 December 2018 is as follows:

		2018	2017	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	General fund	777	972	(20)
B	Restricted or Designated Funds			
	Maintenance and development fund	42	42	0
	Care and Share fund	236	196	21
C	Endowment Funds	0	0	0
D	Total Funds	1,055	1,210	(13)
E	Total Annual Operating Expenditure	737	747	4
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.05	1.30	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted/ designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Administration Costs.

The Home's Reserve Policy is as follows:

The Management Committee is in the process of finalising the reserve policy of the Home.

**20. Financial instruments**

The financial assets and liabilities of the Group and Home as at the financial reporting date are as follows:

	Group S\$	Home S\$
<b>31 December 2018</b>		
Financial assets, at amortised cost		
Cash and cash equivalents	127,467	103,360
Fixed deposits	571,275	571,275
Trade and other receivables (excluding prepayment)	52,019	76,091
Financial assets, at FVOCI	<u>7,000</u>	<u>7,000</u>
	<u>759,767</u>	<u>759,732</u>
Financial liabilities, at amortised cost		
Other payables	<u>100,337</u>	<u>98,187</u>
	 Group S\$	 Home S\$
<b>31 December 2017</b>		
Financial assets, loans and receivables		
Cash and cash equivalents	216,281	215,181
Fixed deposits	569,852	569,852
Trade and other receivables (excluding prepayment)	32,084	44,604
Financial assets, available-for-sale	<u>7,000</u>	<u>7,000</u>
	<u>825,217</u>	<u>836,637</u>
Financial liabilities, at amortised cost	<u>93,480</u>	<u>91,340</u>

**21. Financial risk management**

The Group's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis.

The Group is primarily funded by grants from Ministries, donations, and contributions from residents. The Group's activities expose it to a variety financial risks primarily liquidity risk, credit risk and interest rate risk.

Liquidity risk

Liquidity risk refers to the risk that the Group will have insufficient resources to meet its financial liabilities as and when they fall due.

The Group adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flow.

**21. Financial risk management (Cont'd)**

Liquidity risk (Cont'd)

The table below summarises the profile of the Group's and Home's financial assets and liabilities at the statement of financial position date based on contractual undiscounted payments.

	Group		Home	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
<u>Payable within one year</u>				
<i>Financial liabilities</i>				
Other payables	100,337	93,480	98,187	91,340

Credit risk

Credit risk refers to the risk that a counter party will default on its obligations resulting in financial loss to the Group.

The carrying amounts of cash and cash equivalents, other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. Cash and bank balances are placed with reputable licensed financial institutions.

Interest rate risk

The Group's exposure to interest rate risk is primarily from its fixed deposits placed with financial institutions. The Group constantly monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Group are disclosed in Note 8.

Changes in interest rates do not have a material impact on the Group as it does not have any interest-bearing liabilities.

Fair values

*Cash and bank, other receivables and other payables*

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Group approximate their fair values due to their short-term nature.

*Fair value of FVOCI - unquoted equity*

The cost of the investment is the best fair value measurement as there is insufficient recent information available to measure the fair value.

**22. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

	Previously Reported in S\$	Restatement S\$	Restated S\$
Group and Home <u>Statement of financial activities</u>			
<b>Income from charitable activities</b>			
Collections from classes	0	(4,657)	(4,657)
Collections from events	0	(3,662)	(3,662)
<b>Other income</b>			
Utility expenses recovered	0	(2,944)	(2,944)
Miscellaneous sales	0	(3,813)	(3,813)
Others	0	(1,200)	(1,200)
Miscellaneous income	<u>(16,276)</u>	16,276	<u>0</u>

**23. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on

**27 JUN 2019**