

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 2020

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

Fiducia LLP

(UEN. T10LL0955L)
Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the statement of financial position of 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 the Home and the Group as at 31 December 2020 and the results, changes in funds and cash flows of the Group and the result of the Home for the financial year ended.

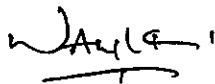
At the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on **26 JUN 2021**

Wan Kwong Weng
Choong Loon @ Chong Kok Loon
Foo Chee Fah
Sun Lee Fong Dafne
Seah Siew Beng Albert
Yeang Ming Sheng
Ong Ang Toh
Andrew Samuel Ing
Oi Keng Hunt

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

On behalf of the Management Committee,



Wan Kwong Weng
Chairman



Seah Siew Beng Albert
Treasurer

Singapore, **26 JUN 2021**

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Independent Auditor's report to the members of:

ADVENTIST HOME FOR THE ELDERS

[UEN. 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 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 2020, the consolidated statement of financial activities, 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 and the statement of financial activities 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") 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 2020, and the results, changes in funds and cash flows of the Group and the result of the Home 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 the Management Committee (set out on page 2) 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. 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent Auditor's report to the members of:

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

[UEN. S80SS0046B]
[IPC No. IPC000385]
[Registered under the Societies Act, Chapter 311
in the Republic of Singapore]

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSSs, 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent Auditor's report to the members of:

ADVENTIST HOME FOR THE ELDERS AND ITS SUBSIDIARY

[UEN. S80SS0046B]
[IPC No. IPC000385]
[Registered under the Societies Act, Chapter 311
in the Republic of Singapore]

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 Societies Act, the Charities Act and Regulations.

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

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent Auditor's report to the members of:

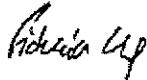
ADVENTIST HOME FOR THE ELDERS AND ITS SUBSIDIARY

[UEN. S80SS0046B]
[IPC No. IPC000385]
[Registered under the Societies Act, Chapter 311
in the Republic of Singapore]

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, **26 JUN 2021**

Partner-in-charge: Gan Chek Huat
PAB. No.: 01939

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Note	Unrestricted fund	Restricted funds			Total funds
	General Fund	Invictus Fund	Maintenance and Development Fund	Care and Share Fund	
	S\$	S\$	S\$	S\$	S\$
2020					
INCOME					
Income from generating fund					
Voluntary income					
Donations					
- Non-tax deductible	30,674	0	0	0	30,674
- Tax deductible	292,150	0	0	0	292,150
Public assistance	28,800	0	0	0	28,800
Government and other grants					
- Interim grant from MOH	180,000	0	0	0	180,000
- Invictus	0	50,000	0	0	50,000
- Comchest	6,000	0	0	0	6,000
- Special employment credit	5,564	0	0	0	5,564
- Wages credit scheme	4,811	0	0	0	4,811
- Others funds	15,160	0	0	0	15,160
	<u>563,159</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>613,159</u>
Income from charitable activities					
Contribution from residents	211,538	0	0	0	211,538
Collections from classes	1,504	0	0	0	1,504
Collections from events	693	0	0	0	693
	<u>213,735</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,735</u>
Investment income					
Collaboration fee	27,200	0	0	0	27,200
Interest income	1,433	0	0	0	1,433
	<u>28,633</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,633</u>
Other income					
Interest income	111	0	0	0	111
Utility expense recovered	2,361	0	0	0	2,361
Miscellaneous sales	665	0	0	0	665
Others	15,816	0	0	0	15,816
Jobs support scheme	57,823	0	0	0	57,823
Levy fee rebate	6,000	0	0	0	6,000
COVID-19 related rent concessions					
- lease liabilities	39,115	0	0	0	39,115
- Short term lease	4,892	0	0	0	4,892
	<u>126,783</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>126,783</u>
Total income	<u>932,310</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>982,310</u>
EXPENDITURE					
Cost of charitable activities					
Event and outing expenses	44,444	28,784	0	0	73,228
Food expenses	20,122	13,318	0	0	33,440
Staff costs	125,928	0	0	0	125,928
	<u>190,494</u>	<u>42,102</u>	<u>0</u>	<u>0</u>	<u>232,596</u>

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds			Total funds
		General Fund	Invictus Fund	Maintenance and Development Fund	Care and Share Fund	
		S\$	S\$	S\$	S\$	S\$
2020						
EXPENDITURE (CONT'D)						
Governance and administrative costs						
Audit fee		3,210	0	0	0	3,210
Allowance for impairment of financial assets, FVOCI	14	6,998	0	0	0	6,998
Bank charges		340	0	0	0	340
Cost of clinic medicine, clinic supply		0	0	0	0	0
Depreciation	11	130,995	0	0	41,429	172,424
Insurance		4,630	0	0	0	4,630
Interest expense		7,524	0	0	0	7,524
Interest expense on lease liabilities		13,170	0	0	0	13,170
Lease expense- short term lease	12	14,677	0	0	0	14,677
Membership fee		1,770	0	0	0	1,770
Minor fixed assets		3,363	0	0	0	3,363
Miscellaneous expenses		9,227	73	0	0	9,300
Printing and stationery		1,391	0	0	0	1,391
Recruitment expenses		135	0	0	0	135
Repair and maintenance		8,371	0	0	0	8,371
Staff costs	5	243,338	0	0	0	243,338
Sub contract and consultant work		1,400	0	0	0	1,400
Telecommunication		7,319	0	0	0	7,319
Transportation fee		466	0	0	0	466
Town council expenses		5,376	0	0	0	5,376
Upkeep of motor vehicle		325	0	0	0	325
Water and electricity		24,085	0	0	0	24,085
		<u>488,110</u>	<u>73</u>	<u>0</u>	<u>41,429</u>	<u>529,612</u>
Total expenses		<u>678,604</u>	<u>42,175</u>	<u>0</u>	<u>41,429</u>	<u>762,208</u>
Net income / (expenditure) before tax expense		253,706	7,825	0	(41,429)	220,102
Income tax (subsidiary)	6	0	0	0	0	0
Net income / (expenditure)		253,706	7,825	0	(41,429)	220,102
Total funds brought forward		635,769	0	41,874	234,388	912,031
Total funds carried forward		<u>889,475</u>	<u>7,825</u>	<u>41,874</u>	<u>192,959</u>	<u>1,132,133</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Note	Unrestricted fund	Restricted funds			Total funds
	General Fund	Invictus Fund	Maintenance and Development Fund	Care and Share Fund	
	S\$	S\$	S\$	S\$	S\$
2019					
INCOME					
Income from generating fund					
Voluntary income					
Donations					
	24,936	0	0	0	24,936
4	211,208	0	0	0	211,208
	22,800	0	0	0	22,800
Government and other grants					
	0	0	0	39,843	39,843
	6,699	0	0	0	6,699
	5,377	0	0	0	5,377
	<u>271,020</u>	<u>0</u>	<u>0</u>	<u>39,843</u>	<u>310,863</u>
Income from charitable activities					
	223,397	0	0	0	223,397
	5,078	0	0	0	5,078
	5,316	0	0	0	5,316
	<u>233,791</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>233,791</u>
Investment income					
	40,800	0	0	0	40,800
	1,428	0	0	0	1,428
	<u>42,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>42,228</u>
Other income					
	36	0	0	0	36
	5,253	0	0	0	5,253
	2,876	0	0	0	2,876
	1,487	0	0	0	1,487
	0	0	0	0	0
	15,599	0	0	0	15,599
	<u>25,251</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,251</u>
Total income	<u>572,290</u>	<u>0</u>	<u>0</u>	<u>39,843</u>	<u>612,133</u>
EXPENDITURE					
Cost of charitable activities					
	18,383	0	0	0	18,383
	16,826	0	0	0	16,826
	810	0	0	0	810
5	131,437	0	0	0	131,437
	<u>167,456</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>167,456</u>

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

	Note	Unrestricted fund	Restricted funds			Total funds
		General Fund	Invictus Fund	Maintenance and Development Fund	Care and Share Fund	
		S\$	S\$	S\$	S\$	S\$
2019 EXPENDITURE (CONT'D)						
Governance and administrative costs						
Audit fee		5,350	0	0	0	5,350
Allowance for impairment other receivables		6,400	0	0	0	6,400
Bank charges		269	0	0	0	269
Cost of clinic medicine, clinic supply		6,996	0	0	0	6,996
Depreciation	11	141,392	0	0	42,098	183,490
Insurance		4,438	0	0	0	4,438
Interest expense on lease liabilities		18,487	0	0	0	18,487
Loss on disposal and written off of property, plant and equipment		1,167	0	0	0	1,167
License fee		321	0	0	0	321
Lease expense- short term lease	12	14,676	0	0	0	14,676
Membership fee		506	0	0	0	506
Minor fixed assets		2,590	0	0	0	2,590
Miscellaneous expenses		10,578	0	0	0	10,578
Printing and stationery		3,020	0	0	0	3,020
Professional fee		1,896	0	0	0	1,896
Recruitment expenses		35	0	0	0	35
Repair and maintenance		7,576	0	0	0	7,576
Staff costs	5	267,507	0	0	0	267,507
Sub contract and consultant work		1,200	0	0	0	1,200
Telecommunication		7,006	0	0	0	7,006
Transportation fee		823	0	0	0	823
Town council expenses		5,537	0	0	0	5,537
Upkeep of motor vehicle		205	0	0	0	205
Water and electricity		28,030	0	0	0	28,030
		<u>536,005</u>	<u>0</u>	<u>0</u>	<u>42,098</u>	<u>578,103</u>
Total expenses		703,461	0	0	42,098	745,559
Net expenditure before tax expense		(131,171)	0	0	(2,255)	(133,426)
Income tax (subsidiary)	6	0	0	0	0	0
Net expenditure		(131,171)	0	0	(2,255)	(133,426)
Balance as at 01.01.2019, as previously reported		788,757	0	41,874	236,643	1,067,274
Effect of adopting of FRS 116 Leases		(21,817)	0	0	0	(21,817)
Balance as at 01.01.2019, after adopting FRS 116 Leases		766,940	0	41,874	236,643	1,045,457
Total funds carried forward		635,769	0	41,874	234,388	912,031

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 FOR THE HOME

	2020				2019			
	General fund	Invictus Fund	Restricted funds		Invictus Fund	Restricted funds		Total funds
			Maintenance and Development fund	Care and Share fund		Maintenance and Development fund	Care and Share fund	
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
INCOME								
Income from generating fund								
Voluntary income								
Donations								
- Non-tax deductible	30,674	0	0	0	0	0	0	24,936
- Tax deductible	292,150	0	0	0	0	0	0	211,208
Public assistance	28,800	0	0	0	0	0	0	22,800
Government and other grants								
- Interim grant from MOH	180,000	0	0	0	0	0	0	0
- Invictus	0	50,000	0	0	0	0	0	0
- Care and share	0	0	0	0	0	0	0	0
- Comchest	6,000	0	0	0	0	0	39,843	39,843
- Special employment credit	5,564	0	0	0	0	0	0	0
- Wages credit scheme	4,811	0	0	0	0	0	0	6,699
- Others funds	15,160	0	0	0	0	0	0	5,377
	563,159	50,000	0	0	0	0	39,843	310,863
Income from charitable activities								
Contribution from residents	211,538	0	0	0	0	0	0	223,397
Collections from classes	1,504	0	0	0	0	0	0	5,078
Collections from events	693	0	0	0	0	0	0	5,316
	213,735	0	0	0	0	0	0	233,791
Investment income								
Collaboration fee	27,200	0	0	0	0	0	0	40,800
Interest income	1,433	0	0	0	0	0	0	1,428
	28,633	0	0	0	0	0	0	42,228
Other income								
Interest income	111	0	0	0	0	0	0	36
Utility expenses recovered	2,361	0	0	0	0	0	0	2,876
Miscellaneous sales	665	0	0	0	0	0	0	1,487
Others	15,816	0	0	0	0	0	0	15,599
Job support scheme	57,823	0	0	0	0	0	0	0
Levy fee rebate	6,000	0	0	0	0	0	0	0
COVID-19 related rent concessions								
- lease liabilities	39,115	0	0	0	0	0	0	0
- Short term lease	4,892	0	0	0	0	0	0	0
Reversal of allowance for impairment on other receivables	25,078	0	0	0	0	0	0	0
	151,861	0	0	0	0	0	0	19,998
	957,388	50,000	0	0	0	0	39,843	606,880

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 FOR THE HOME (CONT'D)

Note	2020				2019				
	General fund	Invictus Fund	Restricted funds		General fund	Invictus Fund	Restricted funds		Total funds
			Maintenance and Development fund	Care and Share fund			Maintenance and Development fund	Care and Share fund	
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
EXPENSES									
Cost of charitable activities									
Event and outing expenses	44,444	28,784	0	0	18,383	0	0	0	18,383
Food expenses	20,122	13,318	0	0	16,826	0	0	0	16,826
Living allowance	0	0	0	0	810	0	0	0	810
Staff costs	125,928	0	0	0	131,437	0	0	0	131,437
	190,494	42,102	0	0	167,456	0	0	0	167,456
Governance and administrative costs									
Audit fee	3,210	0	0	0	3,210	0	0	0	3,210
Allowance for impairment of other receivables	0	0	0	0	29,916	0	0	0	29,916
Allowance for impairment of financial asset, FVOCI	6,998	0	0	0	0	0	0	0	0
Allowance for impairment of investment in a subsidiary	100	0	0	0	0	0	0	0	0
Bank charges	255	0	0	0	219	0	0	0	219
Depreciation	130,995	0	0	0	138,310	0	0	0	180,408
Insurance	4,630	0	0	41,429	4,438	0	0	42,098	4,438
Interest expense	7,524	0	0	0	0	0	0	0	0
Interest on lease liability	13,170	0	0	0	18,487	0	0	0	18,487
Lease expense- short term lease	14,677	0	0	0	14,676	0	0	0	14,676
Membership fee	1,770	0	0	0	506	0	0	0	506
Minor fixed assets	3,363	0	0	0	2,590	0	0	0	2,590
Miscellaneous expenses	9,227	73	0	0	10,578	0	0	0	10,578
Printing and stationery	1,391	0	0	0	3,020	0	0	0	3,020
Recruitment expenses	135	0	0	0	35	0	0	0	35
Rental expenses	0	0	0	0	0	0	0	0	0
Repair and maintenance	8,371	0	0	0	7,576	0	0	0	7,576
Staff costs	243,338	0	0	0	267,507	0	0	0	267,507
Sub contract and consultant work	1,400	0	0	0	1,200	0	0	0	1,200
Telecommunication	7,319	0	0	0	7,006	0	0	0	7,006
Town council expenses	5,376	0	0	0	5,537	0	0	0	5,537
Transportation fee	466	0	0	0	823	0	0	0	823
Upkeep of motor vehicle	325	0	0	0	205	0	0	0	205
Water and electricity	24,085	0	0	0	28,030	0	0	0	28,030
	488,125	73	0	41,429	543,869	0	0	42,098	585,967
Net income / (expenditure)	278,769	7,825	0	(41,429)	(144,288)	0	0	(2,255)	(146,543)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	Group		Home	
		2020 S\$	2019 S\$	2020 S\$	2019 S\$
ASSETS					
Current assets					
Cash and cash equivalents	7	438,540	210,582	438,540	185,419
Fixed deposits	8	574,142	572,705	574,142	572,705
Inventories	9	0	0	0	0
Other receivables	10	28,122	17,028	28,122	17,028
		<u>1,040,804</u>	<u>800,315</u>	<u>1,040,804</u>	<u>775,152</u>
Non-current assets					
Property, plant and equipment	11	441,607	605,874	441,607	605,874
Investment in a subsidiary	13	0	0	0	100
Financial assets, at FVOCI	14	2	7,000	2	7,000
		<u>441,609</u>	<u>612,874</u>	<u>441,609</u>	<u>612,974</u>
Total assets		<u>1,482,413</u>	<u>1,413,189</u>	<u>1,482,413</u>	<u>1,388,126</u>
LIABILITIES					
Current liabilities					
Other payables	15	146,527	193,230	146,527	193,230
Lease liabilities	16	109,777	104,175	109,777	104,175
		<u>256,304</u>	<u>297,405</u>	<u>256,304</u>	<u>297,405</u>
Non-current liabilities					
Lease liabilities	16	93,976	203,753	93,976	203,753
Total liabilities		<u>350,280</u>	<u>501,158</u>	<u>350,280</u>	<u>501,158</u>
NET ASSETS		<u>1,132,133</u>	<u>912,031</u>	<u>1,132,133</u>	<u>886,968</u>
FUNDS					
Unrestricted fund					
General fund		889,475	635,769	889,475	610,706
Restricted funds					
Invictus Fund		7,825	0	7,825	0
Care and Share Fund		192,959	234,388	192,959	234,388
Maintenance and Development Fund		41,874	41,874	41,874	41,874
		<u>242,658</u>	<u>276,262</u>	<u>242,658</u>	<u>276,262</u>
TOTAL FUNDS	17	<u>1,132,133</u>	<u>912,031</u>	<u>1,132,133</u>	<u>886,968</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 2020**

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Invictus Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	
2020					
Balance as at 1 January 2020	635,769	0	41,874	234,388	912,031
Net income / (expenditure)	253,706	7,825	0	(41,429)	220,102
Total funds at end of the year	<u>889,475</u>	<u>7,825</u>	<u>41,874</u>	<u>192,959</u>	<u>1,132,133</u>

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Invictus Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	
2019					
Balance as at 1 January 2019, as previously reported	788,757	0	41,874	236,643	1,067,274
Effect of adopting FRS 116 Leases	(21,817)	0	0	0	(21,817)
Balance as at 1 January 2019, after adopting FRS 116 Leases	766,940	0	41,874	236,643	1,045,457
Net expenditure	(131,171)	0	0	(2,255)	(133,426)
Total funds at end of the year	<u>635,769</u>	<u>0</u>	<u>41,874</u>	<u>234,388</u>	<u>912,031</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Net income / (expenditure) for the financial year		220,102	(133,426)
Adjustments for:			
- Allowance for impairment on Financial assets, FVOCI	14	6,998	0
- Depreciation	11	172,424	183,490
- Interest income		(1,544)	(1,464)
- Interest expense on lease liabilities	16	13,170	18,487
- Loss on disposal and written off of property, plant and equipment		0	1,167
- COVID-19 related rent concessions		(39,115)	0
Operating cash flow before working capital changes		<u>372,035</u>	<u>68,254</u>
Changes in working capital			
- Inventories		0	6,996
- Other receivables		(11,094)	37,339
- Other payables		(46,703)	92,893
Cash generated from operations		<u>314,238</u>	<u>205,482</u>
Interest received		111	36
Net cash generated from operating activities		<u>314,349</u>	<u>205,518</u>
Cash flows from investing activities			
Interest received		1,433	1,428
Increase in fixed deposits		(1,437)	(1,430)
Purchases of property, plant and equipment	11	(8,157)	(5,056)
Net cash used in investing activities		<u>(8,161)</u>	<u>(5,058)</u>
Cash flows from financing activities			
Interest paid on lease liabilities		(13,170)	(18,487)
Principal payment of lease liabilities		(65,060)	(98,858)
Net cash used in financing activities		<u>(78,230)</u>	<u>(117,345)</u>
Net increase in cash and cash equivalents		227,958	83,115
Cash and cash equivalents at beginning of financial year		<u>210,582</u>	<u>127,467</u>
Cash and cash equivalents at end of financial year	7	<u>438,540</u>	<u>210,582</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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 and subsequently renewed from 1 February 2020 to 31 July 2021.

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; and
- 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-Chairman and a Committee Member, Choong Loon @Chong Kok Loon and Oi Keng Hunt, respectively. The principal activities of the subsidiary are clinics and other general medical services and remained dormant during the financial year.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and the statement of financial activities of the Home have been prepared in accordance with the provisions of the Societies Act, Chapter 311, the Charities Act, Chapter 37 and Financial Reporting Standards. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is the Group's functional currency. Functional currency is the currency of the primary economic environment in which the Group operates. All financial information presented are denominated in Singapore Dollar unless otherwise stated.

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.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2020

In the current financial year, the Group adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are relevant and mandatory to its operations and effective on 1 January 2020. Except for the adoption of amendments to FRS 116 Leases as described below, the adoption of these new or amended FRSs and INT FRSs 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 years.

Early adoption of Amendments to FRS 116 Leases – COVID-19 Related Rent Concessions

The Group has elected to early adopt the amendments to FRS 116 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S\$44,007 was recognised as negative variable lease payments in the statement of financial activities during the financial year.

Standards issued but not yet effective

The Group has not adopted the following relevant new/ revised FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

Descriptions	Annual periods commencing on
Amendments to: - FRS 109, FRS 39 and FRS 107, FRS 104, FRS 116: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to: - FRS 103 : Reference to the Conceptual Framework - FRS 16 : Property, Plant and Equipment – Proceeds before intended Use - FRS 37 : Onerous Contracts – Cost of Fulfilling a Contract Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to: - FRS 1 : Classification of Liabilities as Current or Non-current	1 January 2023
- FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Management Committee believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

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 Collections from classes

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

2.2.4 Collections from events

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

2.2.5 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.

2.2.6 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 service is provided.

2.2.7 Interest income

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

2.2.8 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 Grants

Grants from the government are recognised as a receivable at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 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.

2.4.1 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.

2.4.2 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.

2.5 Group accounting

2.5.1 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 unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Significant accounting policies (Cont'd)

2.5 Group accounting (Cont'd)

2.5.1 Subsidiaries (Cont'd)

(i) Consolidation (Cont'd)

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 funds and the statement of financial position. Total 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.

(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 remeasured 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 the statement of financial activities.

2.5.2 Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Home. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Home.

2. Significant accounting policies (Cont'd)

2.6 Property, plant and equipment

2.6.1 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.

2.6.2 Depreciation

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

	Useful lives
Furniture and equipment	3 - 10 years
Motor vehicle	10 years
Leasehold improvement	10 years
Right-of-use ("ROU") assets - office units	Over the remaining lease term

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

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

2.6.3 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 the statement of financial activities when incurred.

2.6.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

(a) Classification and measurement (Cont'd)

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.

At subsequent measurement

(i) Debt instruments

Debt instruments of the Group mainly comprise of cash and cash equivalents, fixed deposits, and other receivables.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised costs

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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

- FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the statement of financial activities. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of financial activities and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI.

For cash and bank balances, and other receivables, 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)

2.9 Financial assets (Cont'd)

(c) Recognition and derecognition

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

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities.

2.10 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 and cash equivalents. All other fixed deposits are reported separately in the statement of financial position.

2.11 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.

2.12 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable and are normally settled within 12 months after the end of the financial reporting date.

2.13 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.

2.14 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" and "Lease liabilities" in the statement of financial position.

2. Significant accounting policies (Cont'd)

2.14 Financial liabilities (Cont'd)

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability is discharged or cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or 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.

2.15 Leases

When the Group is the lessee:

At the inception of the contract, the Group assess if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted of any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment" as disclosed in Note 11.

The Group has applied the amendment to FRS 116 Leases: COVID-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

2. Significant accounting policies (Cont'd)

2.15 Leases (Cont'd)

When the Group is the lessee: (Cont'd)

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising the option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property lease and account there as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Group's lease liabilities are disclosed in Note 16.

The Group has applied the amendment to FRS 116 Leases: COVID-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

2. Significant accounting policies (Cont'd)

2.15 Leases (Cont'd)

When the Group is the lessee: (Cont'd)

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to statement of financial activities on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payment.

2.16 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.

The carrying amounts of lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

2.17 Borrowings

Borrowings, including lease liabilities, are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of financial activities over the period of the borrowings using the effective interest method.

2.18 Borrowing costs

Borrowing costs are recognised in the statement of financial activities using the effective interest method. Borrowing costs may include interest in respect of lease liability recognised in accordance with FRS 116.

2.19 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. Significant accounting policies (Cont'd)

2.20 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.

2.21 Income tax

Current income tax for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the statement of financial position 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 goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) 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 statement of financial position date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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.

2. Significant accounting policies (Cont'd)

2.22 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.23 Events occurring after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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.

Estimated useful lives of property, plant and equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. The carrying amount of property, plant and equipment and the depreciation charge for the financial year are disclosed in Note 11.

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the financial year these operating expenses were incurred and there is reasonable assurance that the Group will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Group if the conditions are not met.

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.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

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	
	2020	2019
	S\$	S\$
Statement of Financial Activities:		
- Donations	<u>292,150</u>	<u>211,208</u>

5. Staff costs

	Group	
	2020	2019
	S\$	S\$
Salaries and bonuses	304,901	328,238
CPF contributions	34,756	38,062
Foreign worker levy	20,020	20,865
Unutilised leave	2,738	7,210
Staff welfare	3,562	4,911
Medical expenses	3,150	1,162
Training expenses	139	(1,504)
	<u>369,266</u>	<u>398,944</u>
Staff costs are allocated as follows:		
- Costs of charitable activities	125,928	131,437
- Governance and administrative cost	<u>243,338</u>	<u>267,507</u>
	<u>369,266</u>	<u>398,944</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 includes the loss before income tax attributable solely to its subsidiary.

	Group	
	2020	2019
	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	
	2020 S\$	2019 S\$
Net income / (expenditure) before income tax	220,100	(133,426)
Tax calculated at a tax rate of 17% (2019:17%)	37,417	(22,682)
Effects of:		
- Income not subject to tax	(37,417)	20,914
- Deferred tax benefit not recognised	0	1,768
Tax charge	0	0

As at the reporting date, the Subsidiary had unabsorbed tax losses carried forward amounting to approximately S\$nil (2019: S\$72,000). 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	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Cash on hand	3,000	5,000	3,000	5,000
Cash at banks	435,540	205,582	435,540	180,419
	438,540	210,582	438,540	185,419

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

8. Fixed deposits

	Group		Home	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Fixed deposits	574,142	572,705	574,142	572,705

Fixed deposits at the reporting date had an average maturity of 7 months (2019: 7 months) from that date and had a weighted average effective interest rate of 0.25% (2019:0.25%) per annum.

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

9. Inventories

	Group		Home	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Inventories	0	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\$nil (2019: S\$6,996).

10. Other receivables

	Group		Home	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Amount due from:				
- related parties	6,400	6,400	6,400	6,400
- a subsidiary	0	0	0	103,516
	6,400	6,400	6,400	109,916
Less: Allowance for impairment	(6,400)	(6,400)	(6,400)	(109,916)
	0	0	0	0
Deposits	13,811	13,811	13,811	13,811
Interest receivables	1,044	1,048	1,044	1,048
Other receivables	4,090	2,169	4,090	2,169
Prepayment	2,140	0	2,140	0
Grant receivables – Jobs Support Scheme	7,037	0	7,037	0
	28,122	17,028	28,122	17,028

Movement of allowance for impairment of other receivables:

	Group		Home	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Beginning of financial year	6,400	0	109,916	80,000
Allowance made	0	6,400	0	29,916
Reversal	0	0	(25,078)	0
Written off	0	0	(78,438)	0
End of financial year	6,400	6,400	6,400	109,916

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

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS pay-outs are intended to offset local employees' wages and help protect their jobs.

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

11. Property, plant and equipment

Group 2020	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	ROU – Office units S\$	Total S\$
Cost					
Beginning of financial year	227,357	56,417	575,669	501,745	1,361,188
Additions	8,157	0	0	0	8,157
End of financial year	<u>235,514</u>	<u>56,417</u>	<u>575,669</u>	<u>501,745</u>	<u>1,369,345</u>
Accumulated depreciation					
Beginning of financial year	138,720	16,903	382,188	217,503	755,314
Depreciation	17,113	5,642	48,942	100,727	172,424
End of financial year	<u>155,833</u>	<u>22,545</u>	<u>431,130</u>	<u>318,230</u>	<u>927,738</u>
Carrying amount	<u>79,681</u>	<u>33,872</u>	<u>144,539</u>	<u>183,515</u>	<u>441,607</u>

Group 2019	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	ROU – Office units S\$	Total S\$
Cost					
At 1 January 2019	230,281	56,417	576,269	0	862,967
Effect of adopting FRS 116 Leases	0	0	0	501,745	501,745
At 1 January 2019 (restated)	230,281	56,417	576,269	501,745	1,364,712
Additions	5,056	0	0	0	5,056
Written off	(7,980)	0	(600)	0	(8,580)
End of financial year	<u>227,357</u>	<u>56,417</u>	<u>575,669</u>	<u>501,745</u>	<u>1,361,188</u>
Accumulated depreciation					
At 1 January 2019	125,744	11,261	325,456	0	462,461
Effect of adopting FRS 116 Leases	0	0	0	116,776	116,776
At 1 January 2019 (restated)	125,744	11,261	325,456	116,776	579,237
Depreciation	20,239	5,642	56,882	100,727	183,490
Written off	(7,263)	0	(150)	0	(7,413)
End of financial year	<u>138,720</u>	<u>16,903</u>	<u>382,188</u>	<u>217,503</u>	<u>755,314</u>
Carrying amount	<u>88,637</u>	<u>39,514</u>	<u>193,481</u>	<u>284,242</u>	<u>605,874</u>

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

Home 2020	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	ROU assets – Office units S\$	Total S\$
Cost					
Beginning of financial year	227,357	56,417	575,669	501,745	1,361,188
Additions	8,157	0	0	0	8,157
End of financial year	<u>235,514</u>	<u>56,417</u>	<u>575,669</u>	<u>501,745</u>	<u>1,369,345</u>
Accumulated depreciation					
Beginning of financial year	138,720	16,903	382,188	217,503	755,314
Depreciation	17,113	5,642	48,942	100,727	172,424
End of financial year	<u>155,833</u>	<u>22,545</u>	<u>431,130</u>	<u>318,230</u>	<u>927,738</u>
Carrying amount	<u>79,681</u>	<u>33,872</u>	<u>144,539</u>	<u>183,515</u>	<u>441,607</u>
Home 2019	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	ROU assets – Office units S\$	Total S\$
Cost					
At 1 January 2019	219,385	56,417	575,669	0	851,471
Effect of adopting FRS 116 Leases	0	0	0	501,745	501,745
At 1 January 2019 (restated)	219,385	56,417	575,669	501,745	1,353,216
Additions	7,972	0	0	0	7,972
End of financial year	<u>227,357</u>	<u>56,417</u>	<u>575,669</u>	<u>501,745</u>	<u>1,361,188</u>
Accumulated depreciation					
At 1 January 2019	121,503	11,261	325,366	0	458,130
Effect of adopting FRS 116 Leases	0	0	0	116,776	116,776
At 1 January 2019 (restated)	121,503	11,261	325,366	116,776	574,906
Depreciation	17,217	5,642	56,822	100,727	180,408
End of financial year	<u>138,720</u>	<u>16,903</u>	<u>382,188</u>	<u>217,503</u>	<u>755,314</u>
Carrying amount	<u>88,637</u>	<u>39,514</u>	<u>193,481</u>	<u>284,242</u>	<u>605,874</u>

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

The following property, plant and equipment were purchased through the Care and Share Matching Fund as disclosed in Note 17.

Home 2020	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
Cost				
Beginning of financial year	122,476	56,417	244,344	423,237
Additions	0	0	0	0
End of financial year	<u>122,476</u>	<u>56,417</u>	<u>244,344</u>	<u>423,237</u>
Accumulated depreciation				
Beginning of financial year	53,876	16,903	93,265	164,044
Depreciation	11,353	5,642	24,434	41,429
End of financial year	<u>65,229</u>	<u>22,545</u>	<u>117,699</u>	<u>205,473</u>
Carrying amount	<u>57,247</u>	<u>33,872</u>	<u>126,645</u>	<u>217,764</u>
Home 2019	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
Cost				
Beginning of financial year	122,476	56,417	244,344	423,237
Additions	0	0	0	0
End of financial year	<u>122,476</u>	<u>56,417</u>	<u>244,344</u>	<u>423,237</u>
Accumulated depreciation				
Beginning of financial year	41,854	11,261	68,831	121,946
Depreciation	12,022	5,642	24,434	42,098
End of financial year	<u>53,876</u>	<u>16,903</u>	<u>93,265</u>	<u>164,044</u>
Carrying amount	<u>68,600</u>	<u>39,514</u>	<u>151,079</u>	<u>259,193</u>

12. Leases – The Group as a lessee

Nature of the Group’s leasing activities

The Group and Home leases office units for the purpose of its activities.

(a) Carrying amount

ROU assets classified within property, plant and equipment

	Group and Home	
	2020	2019
	S\$	S\$
Office units	<u>183,515</u>	<u>284,242</u>

(b) Depreciation charged

	Group and Home	
	2020	2019
	S\$	S\$
Office units	<u>100,727</u>	<u>100,727</u>

(c) Interest expense on lease liabilities

	Group and Home	
	2020	2019
	S\$	S\$
Office units	<u>13,170</u>	<u>18,487</u>

(d) Lease expense not capitalised in lease liabilities

	Group and Home	
	2020	2019
	S\$	S\$
COVID-19 related rent concessions*	(44,007)	0
Lease expense – short term lease (office units)	<u>14,677</u>	<u>14,676</u>

*Relates to the COVID-19 related rent concessions received from the lessor of S\$44,007 to which the Group applied the practical expedient as disclosed in Note 2.1.

(e) Total cash outflow for office unit lease in 2020 was \$78,230 (2019: S\$117,345).

13. Investment in subsidiary

	Home	
	2020 S\$	2019 S\$
<u>Unquoted equity investment, at cost</u>		
Beginning and end of the financial year	100	100
Less: Allowance for impairment		
At beginning of financial year	0	0
Allowance made	100	0
At end of financial year	100	0
Carrying amount	0	0

Subsidiary	Date of incorporation	Country of Incorporation	Percentage of equity held 2020	Percentage of equity held 2019	Principal Activity
Advent Medical Clinic Pte. Ltd.*	10 November 2016	Singapore	100%	100%	Clinics and other General Medical Services

* Audited by Fiducia LLP

14. Financial assets

Other financial assets are classified as follows:

	Group		Home	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Non- current assets:				
Financial assets, FVOCI	7,000	7,000	7,000	7,000
Less: Allowance for impairment				
At beginning of financial year	0	0	0	0
Allowance made	6,998	0	6,998	0
At end of financial year	6,998	0	6,998	0
Carrying amount	2	7,000	2	7,000

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.

15. Other payables

	Group		Home	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Amount due to a related party	6,000	6,000	6,000	6,000
Accrued operating expenses	65,222	135,109	65,222	135,109
CPF payables	10,372	10,911	10,372	10,911
Contract liabilities	2,400	0	2,400	0
Deferred grant - Jobs Support Scheme	16,785	0	16,785	0
Deposits received from residents	35,800	34,000	35,800	34,000
Other payables	0	0	0	0
Provision for unutilised leave	9,948	7,210	9,948	7,210
	<u>146,527</u>	<u>193,230</u>	<u>146,527</u>	<u>193,230</u>

Contract liabilities relate to the Group's outstanding performance obligation to provide services to customers for which the Group has received the advances. Contract liabilities will be recognised as programme income upon service rendered.

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as grant income, on a systematic basis, over the estimated 17 months of economic uncertainty till August 2021 in which the Group recognises the related salary costs.

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.

16. Lease liabilities

	Group and Home	
	2020 S\$	2019 S\$
Current	109,777	104,175
Non-current	93,976	203,753
	<u>203,753</u>	<u>307,928</u>

A reconciliation of liabilities arising from financing activities is as follows:

	01.01.2020 S\$	Cash flows S\$	Non – cash change			31.12.2020 S\$
			Accretion of interests S\$	Related rent concessions S\$	Other S\$	
Lease liabilities						
- current	104,175	(78,230)	13,170	(39,115)	109,777	109,777
- non-current	203,753	0	0	0	(109,777)	93,976
	<u>307,928</u>	<u>(78,230)</u>	<u>13,170</u>	<u>(39,115)</u>	<u>0</u>	<u>203,753</u>

16. Lease liabilities (Cont'd)

A reconciliation of liabilities arising from financing activities is as follows: (Cont'd)

	01.01.2019 S\$	Cash flows S\$	Non - cash change			31.12.2019 S\$
			Accretion of interests S\$	Related rent concessions S\$	Other S\$	
Lease liabilities						
- current	98,858	(117,345)	18,487	0	104,175	104,175
- non-current	307,928	0	0	0	(104,175)	203,753
	406,786	(117,345)	18,487	0	0	307,928

17. Funds

Funds comprise of unrestricted and restricted fund.

17.1 Unrestricted general fund

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

17.2 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.

Restricted funds comprise:

17.2.1 Invictus Fund

This is a grant from National Council of Social Service ("NCSS"), to provide support to social service agencies providing critical services to vulnerable groups during this COVID-19 pandemic.

17.2.2 Maintenance and Development Fund

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

17.2.3 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.

17. Funds (Cont'd)

Net assets of the restricted funds

	Group and Home			Total S\$
	Invictus Fund S\$	Care and Share fund S\$	Maintenance and development fund S\$	
Total restricted funds as at 31 December 2020	<u>7,825</u>	<u>192,959</u>	<u>41,874</u>	<u>242,658</u>
Represented by:				
Cash and bank balances	7,825	(24,805)	41,874	24,894
Property, plant and equipment	<u>0</u>	<u>217,764</u>	<u>0</u>	<u>217,764</u>
	<u>7,825</u>	<u>192,959</u>	<u>41,874</u>	<u>242,658</u>
	Group and Home			Total S\$
	Invictus Fund S\$	Care and Share fund S\$	Maintenance and development fund S\$	
Total restricted funds as at 31 December 2019	<u>0</u>	<u>234,388</u>	<u>41,874</u>	<u>276,262</u>
Represented by:				
Cash and bank balances	0	(24,805)	41,874	17,069
Property, plant and equipment	<u>0</u>	<u>259,193</u>	<u>0</u>	<u>259,193</u>
	<u>0</u>	<u>234,388</u>	<u>41,874</u>	<u>276,262</u>

18. 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	
	2020 S\$	2019 S\$	2020 S\$	2019 S\$
<u>Subsidiary</u>				
Expenses paid on behalf of a subsidiary	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,920</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	
	2020 S\$	2019 S\$
Salaries, allowance and bonuses	200,300	186,430
CPF and SDL contributions	<u>30,353</u>	<u>30,740</u>
	<u>230,653</u>	<u>217,170</u>

18. Related party transactions (Cont'd)

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

	Group and Home	
	2020	2019
Number of key management in remuneration bands		
S\$50,001 to S\$100,000	4	3
S\$50,000 and below	0	1

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.

19. 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.

20. Reserve position and policy

The Home's reserve position for financial year ended 31 December 2020 is as follows:

		2020	2019	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	General fund	890	611	46
B	Restricted or Designated Funds			
	Invictus Fund	8	0	100
	Maintenance and development fund	42	42	0
	Care and Share fund	193	234	(18)
C	Endowment Funds	0	0	0
D	Total Funds	1,132	887	28
E	Total Annual Operating Expenditure	762	753	1
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.17	0.81	

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.

21. 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\$
31 December 2020		
Financial assets, at amortised cost		
Cash and cash equivalents	438,540	438,540
Fixed deposits	574,142	574,142
Other receivables (excluding prepayment)	25,982	25,982
Financial assets, at FVOCI	<u>2</u>	<u>2</u>
	<u>1,038,666</u>	<u>1,038,666</u>
Financial liabilities, at amortised cost		
Other payables	146,527	146,527
Lease liabilities	203,753	203,753
	<u>350,280</u>	<u>350,280</u>
	Group S\$	Home S\$
31 December 2019		
Financial assets, at amortised cost		
Cash and cash equivalents	210,582	185,419
Fixed deposits	572,705	572,705
Other receivables (excluding prepayment)	17,028	17,028
Financial assets, at FVOCI	<u>7,000</u>	<u>7,000</u>
	<u>807,315</u>	<u>782,152</u>
Financial liabilities, at amortised cost		
Other payables	193,230	193,230
Lease liabilities	307,928	307,928
	<u>501,158</u>	<u>501,158</u>

22. 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.

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	Within one year S\$	Later than one year but within five years S\$	Total S\$
2020			
Financial liabilities			
Other payables	146,527	0	146,527
Lease liabilities	117,345	95,883	213,228
	<u>263,872</u>	<u>95,883</u>	<u>359,755</u>
2019			
Financial liabilities			
Other payables	193,230	0	193,230
Lease liabilities	117,345	213,227	330,572
	<u>310,575</u>	<u>213,227</u>	<u>523,802</u>
Home			
2020			
Financial liabilities			
Other payables	146,527	0	146,527
Lease liabilities	117,345	95,883	213,228
	<u>263,872</u>	<u>95,883</u>	<u>359,755</u>
2019			
Financial liabilities			
Other payables	193,230	0	193,230
Lease liabilities	117,345	213,227	330,572
	<u>310,575</u>	<u>213,227</u>	<u>523,802</u>

22. Financial risk management (Cont'd)

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.

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk rating categories:

	12-month or lifetime ECL	Gross carrying amount S\$	Less allowance S\$	Net carrying amount S\$
<u>Group</u>				
<u>31 December 2020</u>				
Other receivables	12-month ECL	34,522	(6,400)	28,122
<u>31 December 2019</u>				
Other receivables	12-month ECL	23,428	(6,400)	17,028
<u>Home</u>				
<u>31 December 2020</u>				
Other receivables	12-month ECL	34,522	(6,400)	28,122
<u>31 December 2019</u>				
Other receivables	12-month ECL	126,944	(109,916)	17,028

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.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments, that are exposed to interest rate risk.

	Group and Home	
	2020 S\$	2019 S\$
<u>Within one year – fixed rates</u>		
<i>Financial assets</i>		
Fixed deposits	574,142	572,705

The responsibility for managing the above risks is vested in the Executive Committee.

23. 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.

24. Impact of COVID-19 (Coronavirus disease 2019)

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's operations are based in Singapore and its operations in 2020 in terms of financial viability has not been adversely impacted by the COVID-19 pandemic with donations raised from public and grant income provided by the government authority. Below is the summary of the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

- i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Director is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the economic disruption.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and the Group's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. In 2020, the Group has received rental rebates for its office, warehouse and office equipment rental. The effects of such rental concessions received are disclosed in Note 2.1.
- iv. The government has also implemented assistance measures which might mitigate some of the impact of COVID-19 on the Group's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

25. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on **26 JUN 2021**