

ADVENTIST HOME FOR THE ELDERS

[UEN. S80SS0046B]

[IPC No. IPC000385]

[Registered under the Societies Act 1966 in the
Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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Fiducia LLP

[UEN. T10LL0955L]

Public Accountants and
Chartered Accountants of Singapore

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

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of **Adventist Home for the Elders** (the "Home") as at 31 December 2021, and the results, changes in funds and cash flows of the Home for the financial year then 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 25 June 2022.

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

For and on behalf of the Management Committee,



Wan Kwong Weng
Chairman



Seah Siew Beng Albert
Treasurer

Singapore, 25 June 2022.

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Independent Auditor's report to the members of:

ADVENTIST HOME FOR THE ELDERS

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Adventist Home for the Elders** (the "Home") which comprise the statement of financial position as at 31 December 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows 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 financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 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 Home as at 31 December 2021, and the results, changes in funds and cash flows 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 Home 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, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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 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 Home'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 Home or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Home'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 Home'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 Home'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 Home to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 by the Home have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

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, 25 June 2022.

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Note	2021					2020				
	General fund	Restricted funds			Total funds	General fund	Restricted funds			Total funds
		Invictus Fund	Maintenance and Development fund	Care and Share fund			Invictus Fund	Maintenance and Development fund	Care and Share fund	
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
INCOME										
Income from generating fund										
<u>Voluntary income</u>										
Donations										
	29,994	0	0	0	29,994	30,674	0	0	0	30,674
	103,285	0	0	0	103,285	292,150	0	0	0	292,150
4	25,800	0	0	0	25,800	28,800	0	0	0	28,800
Public assistance										
Government and other grants										
	400,000	0	0	0	400,000	0	0	0	0	0
	0	0	0	0	0	180,000	0	0	0	180,000
	0	0	0	0	0	0	50,000	0	0	50,000
	322,953	0	0	0	322,953	0	0	0	0	0
	0	0	0	0	0	6,000	0	0	0	6,000
	6,071	0	0	0	6,071	15,160	0	0	0	15,160
	888,103	0	0	0	888,103	552,784	50,000	0	0	602,784
Income from charitable activities										
	216,826	0	0	0	216,826	211,538	0	0	0	211,538
	2,445	0	0	0	2,445	1,504	0	0	0	1,504
	0	0	0	0	0	693	0	0	0	693
	219,271	0	0	0	219,271	213,735	0	0	0	213,735
Investment income										
	939	0	0	0	939	1,433	0	0	0	1,433
Other income										
	40,800	0	0	0	40,800	27,200	0	0	0	27,200
	0	0	0	0	0	44,007	0	0	0	44,007
	124	0	0	0	124	111	0	0	0	111
	20,832	0	0	0	20,832	665	0	0	0	665
	0	0	0	0	0	15,816	0	0	0	15,816
	24,904	0	0	0	24,904	57,823	0	0	0	57,823
	0	0	0	0	0	6,000	0	0	0	6,000
	2,861	0	0	0	2,861	2,361	0	0	0	2,361
	957	0	0	0	957	5,564	0	0	0	5,564
	3,295	0	0	0	3,295	4,811	0	0	0	4,811
	0	0	0	0	0	25,078	0	0	0	25,078
	93,773	0	0	0	93,773	189,436	0	0	0	189,436
Total income	1,202,086	0	0	0	1,202,086	957,388	50,000	0	0	1,007,388

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

Note	2021					2020				
	General fund	Restricted funds			Total funds	General fund	Restricted funds			Total funds
		Invictus Fund	Maintenance and Development fund	Care and Share fund			Invictus Fund	Maintenance and Development fund	Care and Share fund	
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
EXPENDITURE										
Cost of charitable activities										
Event and outing expenses	73,707	4	0	0	73,711	44,444	28,784	0	0	73,228
Food expenses	17,500	7,821	0	0	25,321	20,122	13,318	0	0	33,440
Living allowance	0	0	0	0	0	0	0	0	0	0
Staff costs	108,820	0	0	0	108,820	125,928	0	0	0	125,928
	<u>200,027</u>	<u>7,825</u>	<u>0</u>	<u>0</u>	<u>207,852</u>	<u>190,494</u>	<u>42,102</u>	<u>0</u>	<u>0</u>	<u>232,596</u>
Governance and administrative costs										
Audit fee	11,128	0	0	0	11,128	3,210	0	0	0	3,210
Allowance for impairment of other receivables	0	0	0	0	0	0	0	0	0	0
Allowance for impairment of financial asset, FVOCI	0	0	0	0	0	6,998	0	0	0	6,998
Allowance for impairment of investment in a subsidiary	0	0	0	0	0	100	0	0	0	100
Bank charges	458	0	0	0	458	255	0	0	0	255
Depreciation	131,945	0	0	41,429	173,374	130,995	0	0	41,429	172,424
Insurance	4,629	0	0	0	4,629	4,630	0	0	0	4,630
Interest expense		0	0	0		7,524	0	0	0	7,524
Interest on lease liability	7,567	0	0	0	7,567	13,170	0	0	0	13,170
Lease expense- short term lease	11,007	0	0	0	11,007	14,677	0	0	0	14,677
Membership fee	1,788	0	0	0	1,788	1,770	0	0	0	1,770
Minor fixed assets	762	0	0	0	762	3,363	0	0	0	3,363
Miscellaneous expenses	10,717	0	0	0	10,717	9,227	73	0	0	9,300
Printing and stationery	1,315	0	0	0	1,315	1,391	0	0	0	1,391
Recruitment expenses	256	0	0	0	256	135	0	0	0	135
Rental expenses		0	0	0		0	0	0	0	0
Repair and maintenance	5,666	0	0	0	5,666	8,371	0	0	0	8,371
Staff costs	255,962	0	0	0	255,962	243,338	0	0	0	243,338
Sub contract and consultant work	1,893	0	0	0	1,893	1,400	0	0	0	1,400
Telecommunication	8,131	0	0	0	8,131	7,319	0	0	0	7,319
Town council expenses	5,537	0	0	0	5,537	5,376	0	0	0	5,376
Transportation fee	31	0	0	0	31	466	0	0	0	466
Upkeep of motor vehicle	405	0	0	0	405	325	0	0	0	325
Water and electricity	24,207	0	0	0	24,207	24,085	0	0	0	24,085
	<u>483,404</u>	<u>0</u>	<u>0</u>	<u>41,429</u>	<u>524,833</u>	<u>488,125</u>	<u>73</u>	<u>0</u>	<u>41,429</u>	<u>529,627</u>
Total expenditure	683,431	7,825	0	41,429	732,685	678,619	42,175	0	41,429	762,223
Net income / (expenditure) for the year	<u>518,655</u>	<u>(7,825)</u>	<u>0</u>	<u>(41,429)</u>	<u>469,401</u>	<u>278,769</u>	<u>7,825</u>	<u>0</u>	<u>(41,429)</u>	<u>245,165</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	909,257	438,540
Fixed deposits	7	575,541	574,142
Other receivables	8	29,291	28,122
		<u>1,514,089</u>	<u>1,040,804</u>
Non-current assets			
Property, plant and equipment	9	271,454	441,607
Investment in a subsidiary	11	0	0
Financial assets, at FVOCI	12	2	2
		<u>271,456</u>	<u>441,609</u>
Total assets		<u>1,785,545</u>	<u>1,482,413</u>
LIABILITIES			
Current liabilities			
Other payables	13	90,035	146,527
Lease liabilities	14	91,146	109,777
		<u>181,181</u>	<u>256,304</u>
Non-current liabilities			
Lease liabilities	14	2,830	93,976
Total liabilities		<u>184,011</u>	<u>350,280</u>
NET ASSETS		<u>1,601,534</u>	<u>1,132,133</u>
FUNDS			
Unrestricted fund			
General fund		<u>1,408,130</u>	<u>889,475</u>
Restricted funds			
Invictus Fund		0	7,825
Care and Share Fund		151,530	192,959
Maintenance and Development Fund		41,874	41,874
		<u>193,404</u>	<u>242,658</u>
TOTAL FUNDS	15	<u>1,601,534</u>	<u>1,132,133</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Invictus Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	
2021					
At beginning of financial year	889,475	7,825	41,874	192,959	1,132,133
Net income / (expenditure)	518,655	(7,825)	0	(41,429)	469,401
At end of financial year	<u>1,408,130</u>	<u>0</u>	<u>41,874</u>	<u>151,530</u>	<u>1,601,534</u>

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Invictus Fund S\$	Maintenance and Development Fund S\$	Care and Share Fund S\$	
2020					
At beginning of financial year	635,769	0	41,874	234,388	912,031
Net income / (expenditure)	253,706	7,825	0	(41,429)	220,102
At end of financial year	<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.

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 S\$	2020 S\$
Cash flows from operating activities			
Net income / (expenditure) for the financial year		469,401	220,102
Adjustments for:			
- Allowance for impairment on Financial assets, FVOCI	12	0	6,998
- Depreciation	9	173,374	172,424
- Interest income		(1,063)	(1,544)
- Interest expense on lease liabilities	14	7,567	13,170
- Loss on disposal and written off of property, plant and equipment		0	0
- COVID-19 related rent concessions		0	(39,115)
Operating cash flow before working capital changes		649,279	372,035
Changes in working capital			
- Inventories		0	0
- Other receivables		(1,630)	(11,094)
- Other payables		(56,491)	(46,703)
Cash generated from operations		591,158	314,238
Interest received		124	111
Net cash generated from operating activities		591,282	314,349
Cash flows from investing activities			
Interest received		1,400	1,433
Increase in fixed deposits		(1,399)	(1,437)
Purchases of property, plant and equipment	9	(3,221)	(8,157)
Net cash used in investing activities		(3,220)	(8,161)
Cash flows from financing activities			
Interest paid on lease liabilities		(7,567)	(13,170)
Principal payment of lease liabilities		(109,778)	(65,060)
Net cash used in financing activities		(117,345)	(78,230)
Net increase in cash and cash equivalents		470,717	227,958
Cash and cash equivalents at beginning of financial year		438,540	210,582
Cash and cash equivalents at end of financial year	6	909,257	438,540

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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, 1966 (the "Societies Act"). The Home is a charity registered under the Charities Act 1994 (the "Charities Act") 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 renewed from 1 February 2020 to 31 July 2021 and subsequently renewed from 1 August 2021 to 31 October 2023.

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

At the reporting date, 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.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Societies Act 1966, the Charities Act 1994 and other relevant regulations. 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 Home's functional currency.

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Society'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 2021

In the current financial year, the Society adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are relevant and mandatory to its operations and effective on 1 January 2021. Changes to the Home's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the Home's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Standards issued but not effective

The Home 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: <ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> - FRS 1 : Classification of Liabilities as Current or Non-current - FRS 1 : Disclosure of Accounting Policies - FRS 8 : Definition of Accounting Estimates - FRS 12 : Deferred tax related to Assets and Liabilities arising from a single transaction 	1 January 2023
Amendments to: <ul style="list-style-type: none"> - FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 	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

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

Income is recognised when the Home 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 Home 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 Government 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 Home 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 Expenditure recognition

All expenditure 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 Home. 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 Home, 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 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 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

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.2 Depreciation (Cont'd)

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.

2.5.3 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 the 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 the statement of financial activities.

2.6 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the 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 inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generated 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 (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of financial activities, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.7 Financial assets

(a) Classification and measurement

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

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

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

At initial recognition

At initial recognition, the Home 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

Debt instruments

Debt instruments of the Home mainly comprise of "Cash and cash equivalents", "fixed deposits", and "other receivables".

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.

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

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.

Equity investments

The Home subsequently measures all its equity investments at their fair values.

Equity instruments are classified as FVPL with movements in their fair values recognised in the statement of comprehensive income in the period in which the changes arise and presented in "Other gains and losses", except for those equity securities which are not held for trading. The Home has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Home considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains/(losses)" in other comprehensive income. Dividends from equity investments are recognised in the statement of comprehensive income as "Dividend income".

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

(b) Impairment

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

For cash and cash equivalents, fixed deposit 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.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Home 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 Home 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.

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

2.9 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.

2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Home 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.

2.11 Financial liabilities

Financial liabilities are recognised when the Home 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)

2.11 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.

2.12 Leases

At the inception of the contract, the Home 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.

When the Home is the lessee:

The Home applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Home recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

- Right-of-use assets

The Home 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 assets or the end of the lease term.

If ownership of the leased asset transfers to the Home at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6. The Home's right-of-use assets are presented within "Property, plant and equipment" as disclosed in Note 9.

- 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 Home shall use its incremental borrowing rate.

2. Significant accounting policies (Cont'd)

2.12 Leases (Cont'd)

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

- Lease liabilities (cont'd)

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 Home exercising the option.

In calculating the present value of lease payments, the Home uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

For contract that contain both lease and non-lease components, the Home allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Home 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 Society'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 Home's lease liabilities are disclosed in Note 14.

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

- Short term and low value leases

The Home 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.

2. Significant accounting policies (Cont'd)

2.12 Leases (Cont'd)

- 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 Home shall recognise those lease payments in statement of financial activities in the periods that triggered those lease payment.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Home has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

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 statement of financial activities over the period of the borrowings using the effective interest method.

2.14 Borrowing costs

Borrowing costs are recognised in the statement of financial activities using the effective interest method except for those costs that are not directly attributable to the construction or development of properties and assets under construction. Borrowing costs may include interest in respect of lease liability recognised in accordance with FRS 116.

2.15 Fund accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the consolidated financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Group that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors with their authority or created through legal process but are still within the wider objects of the Group. Unrestricted funds are expendable at the discretion of the Church Committee in furtherance of the Group's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for Administrative purpose only and does not restrict Group's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on the method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the consolidated statement of financial position.

Funds received for specific purposes such as purchase of depreciable assets are taken to the relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

2. Significant accounting policies (Cont'd)

2.16 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Home pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Home has no further payment obligations once the contributions have been paid. The Home'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 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.

2.18 Events occurring after the reporting date

Post year-end events that provide additional information about the Home'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.

3.1 Critical accounting estimates and assumptions

The Home 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.

3.1.1 Estimated useful lives of property, plant and equipment

The Home 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 9.

3.1.2 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.

3. Critical accounting estimates, assumptions and judgements (Cont'd)

3.1 Critical accounting estimates and assumptions (Cont'd)

3.1.3 Provision for expected credit losses (ECL) of other receivables

The Home uses a provision matrix to calculate ECL for other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Home's historical observed default rates. The Home will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Home's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3.2 Critical judgements in applying the entity's accounting policies

The key critical judgement in applying the entity's accounting policies concerning the future at the reporting date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

3.2.1 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 Home 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 Home if the conditions are not met.

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:

	2021 S\$	2020 S\$
Statement of Financial Activities:		
- Donations	<u>103,285</u>	<u>292,150</u>

5. Staff costs

	2021 S\$	2020 S\$
Salaries and bonuses	299,047	304,901
CPF contributions	33,961	34,756
Foreign worker levy	25,234	20,020
Unutilised leaves	2,841	2,738
Staff welfare	1,753	3,562
Medical expenses	1,876	3,150
Training expenses	70	139
	<u>364,782</u>	<u>369,266</u>
Staff costs are allocated as follows:		
- Costs of charitable activities	108,820	125,928
- Governance and administrative cost	<u>255,962</u>	<u>243,338</u>
	<u>364,782</u>	<u>369,266</u>

6. Cash and cash equivalents

	2021 S\$	2020 S\$
Cash on hand	4,500	3,000
Cash at banks	<u>904,757</u>	<u>435,540</u>
	<u><u>909,257</u></u>	<u><u>438,540</u></u>

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

7. Fixed deposits

	2021 S\$	2020 S\$
Fixed deposits	<u>575,541</u>	<u>574,142</u>

Fixed deposits at the reporting date had an average maturity of 7 months (2020: 7 months) from that date and had a weighted average effective interest rate of 0.25% (2020:0.25%) per annum.

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

8. Other receivables

	2021 S\$	2020 S\$
Amount due from:		
- related parties	6,400	6,400
Less: Allowance for impairment	<u>(6,400)</u>	<u>(6,400)</u>
	0	0
Advances to staffs	10,800	0
Deposits	13,630	13,811
Interest receivables	583	1,044
Other receivables	0	4,090
Prepayments	4,278	2,140
Grant receivables – Jobs Support Scheme	<u>0</u>	<u>7,037</u>
	<u><u>29,291</u></u>	<u><u>28,122</u></u>

Amount due from related parties 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.

There is no other class of financial assets that is past due and/or impaired except for amount due from related parties.

8. Other receivables (Cont'd)

Receivables that are impaired

	2021 S\$	2020 S\$
Other receivables – nominal amounts	6,400	6,400
Allowance for impairment	<u>(6,400)</u>	<u>(6,400)</u>
	<u>0</u>	<u>0</u>

Movement in the allowance for impairment of other receivables:

	2021 S\$	2020 S\$
Beginning of financial year	6,400	109,916
Allowance made	0	0
Reversal	0	(25,078)
Written off	0	(78,438)
End of financial year	<u>6,400</u>	<u>6,400</u>

Other receivables that were determined to be impaired at the reporting date relate to debtors that were in significant financial difficulties and had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

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

9. Property, plant and equipment

2021	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	ROU assets – Office units S\$	Total S\$
Cost					
Beginning of financial year	235,514	56,417	575,669	501,745	1,369,345
Additions	<u>3,221</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,221</u>
End of financial year	<u>238,735</u>	<u>56,417</u>	<u>575,669</u>	<u>501,745</u>	<u>1,372,566</u>
Accumulated depreciation					
Beginning of financial year	155,833	22,545	431,130	318,230	927,738
Depreciation	<u>18,064</u>	<u>5,641</u>	<u>48,942</u>	<u>100,727</u>	<u>173,374</u>
End of financial year	<u>173,897</u>	<u>28,186</u>	<u>480,072</u>	<u>418,957</u>	<u>1,101,112</u>
Carrying amount	<u>64,838</u>	<u>28,231</u>	<u>95,597</u>	<u>82,788</u>	<u>271,454</u>

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

	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	ROU assets – Office units S\$	Total S\$
2020					
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	235,514	56,417	575,669	501,745	1,369,345
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	155,833	22,545	431,130	318,230	927,738
Carrying amount	79,681	33,872	144,539	183,515	441,607

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

	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
2021				
Cost				
Beginning of financial year	122,476	56,417	244,344	423,237
Additions	0	0	0	0
End of financial year	122,476	56,417	244,344	423,237
Accumulated depreciation				
Beginning of financial year	65,229	22,545	117,699	205,473
Depreciation	11,353	5,642	24,434	41,429
End of financial year	76,582	28,187	142,133	246,902
Carrying amount	45,894	28,230	102,211	176,335

	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
2020				
Cost				
Beginning of financial year	122,476	56,417	244,344	423,237
Additions	0	0	0	0
End of financial year	122,476	56,417	244,344	423,237
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	65,229	22,545	117,699	205,473
Carrying amount	57,247	33,872	126,645	217,764

10. Leases – The Home as a lessee

Nature of the Home’s leasing activities

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

(a) Carrying amount

ROU assets classified within property, plant and equipment

	2021 S\$	2020 S\$
Office units	<u>82,788</u>	<u>183,515</u>

(b) Depreciation charged

	2021 S\$	2020 S\$
Office units	<u>100,727</u>	<u>100,727</u>

(c) Interest expense on lease liabilities

	2021 S\$	2020 S\$
Office units	<u>7,567</u>	<u>13,170</u>

(d) Lease expense not capitalised in lease liabilities

	2021 S\$	2020 S\$
COVID-19 related rent concessions*	0	(44,007)
Lease expense – short term lease (office units)	<u>11,007</u>	<u>14,677</u>

*Relates to the COVID-19 related rent concessions received from the lessor of S\$ NIL (2020: S\$44,007) to which the Home applied the practical expedient as disclosed in the financial statements.

(e) Total cash outflow for office unit lease in 2021 was \$128,352 (2020: S\$78,230).

11. Investment in subsidiary

		Home			
		2021		2020	
		S\$		S\$	
<u>Unquoted equity investment, at cost</u>					
Beginning and end of the financial year		100		100	
Write off		(100)		0	
		<u>0</u>		<u>100</u>	
Less: Allowance for impairment					
At beginning of financial year		100		0	
Reversal made		(100)		100	
At end of financial year		<u>0</u>		<u>100</u>	
Carrying amount		<u>0</u>		<u>0</u>	
Subsidiary	Date of incorporation	Country of Incorporation	Percentage of equity held 2021	Percentage of equity held 2020	Principal Activity
Advent Medical Clinic Pte. Ltd.*	10 November 2016	Singapore	0%	100%	Clinics and other General Medical Services

* Audited by Fiducia LLP

12. Financial assets, at FVOCI

	2021	2020
	S\$	S\$
Non- current assets:		
Unquoted equity shares		
- Singapore	<u>7,000</u>	<u>7,000</u>
Less: Allowance for impairment		
At beginning of financial year	6,998	0
Allowance made	0	6,998
At end of financial year	<u>6,998</u>	<u>6,998</u>
Carrying amount	<u>2</u>	<u>2</u>

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.

In accordance with Paragraph B5.2.3 of IFRS 9 "Financial Instruments", in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Therefore, the management estimates that cost represents the best estimate of fair value within that range in current financial year.

The carrying amounts of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

13. Other payables

	2021 S\$	2020 S\$
Amount due to a related party	6,000	6,000
Accrued operating expenses	23,320	65,222
CPF payables	10,326	10,372
Contract liabilities	0	2,400
Deferred grant - Jobs Support Scheme	0	16,785
Deposits received from residents	35,200	35,800
Other payables	2,400	0
Provision for unutilised leaves	12,789	9,948
	90,035	146,527

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

Contract liabilities relate to the Home's outstanding performance obligation to provide services to customers for which the Home 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 Home recognises the related salary costs.

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

14. Lease liabilities

	2021 S\$	2020 S\$
Current	91,146	109,777
Non-current	2,830	93,976
	93,976	203,753

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

	01.01.2021 S\$	Cash flows S\$	Non – cash charges			31.12.2021 S\$
			Accretion of interests S\$	Related rent concessions S\$	Other S\$	
Lease liabilities						
- current	109,777	(117,344)	7,567	0	91,146	91,146
- non-current	93,976	0	0	0	(91,146)	2,830
	203,753	(117,344)	7,567	0	0	93,976

14. Lease liabilities (Cont'd)

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

	01.01.2020 S\$	Cash flows S\$	Non – cash charges			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>

15. Funds

Funds comprise of unrestricted and restricted funds.

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.

Restricted funds comprise:

15.2.1 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 Homes during this COVID-19 pandemic.

15.2.2 Maintenance and Development Fund

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

15.2.3 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.

15. Funds (Cont'd)

Net assets of the restricted funds:

	Invictus Fund S\$	Care and Share fund S\$	Maintenance and development fund S\$	Total S\$
Total restricted funds as at 31 December 2021	<u>0</u>	<u>151,530</u>	<u>41,874</u>	<u>193,404</u>
Represented by:				
Cash and bank balances	0	(24,805)	41,874	17,069
Property, plant and equipment	<u>0</u>	<u>176,335</u>	<u>0</u>	<u>176,335</u>
	<u>0</u>	<u>151,530</u>	<u>41,874</u>	<u>193,404</u>
	Invictus Fund S\$	Care and Share fund S\$	Maintenance and development fund S\$	Total 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>

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:

	2021 S\$	2020 S\$
<u>Common control</u>		
Event and outing expenses	<u>63,828</u>	<u>81,331</u>

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

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

	2021 S\$	2020 S\$
Salaries, allowance and bonuses	210,429	200,300
CPF and SDL contributions	<u>30,702</u>	<u>30,353</u>
	<u>241,131</u>	<u>230,653</u>

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

	2021	2020
Number of key management in remuneration bands		
S\$50,001 to S\$100,000	4	4
S\$50,000 and below	<u>1</u>	<u>0</u>

16. Related party transactions (Cont'd)

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. Reserve position and policy

The Home's reserve position for financial year ended 31 December 2021 is as follows:

		2021	2020	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	General fund	1,408	890	58
B	Restricted or Designated Funds			
	Invictus Fund	0	8	(100)
	Maintenance and development fund	42	42	0
	Care and Share fund	151	193	(22)
C	Endowment Funds	0	0	0
D	Total Funds	1,601	1,132	41
E	Total Annual Operating Expenditure	733	762	(4)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.92	1.17	

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.

19. Financial instruments

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

	2021 S\$	2020 S\$
Financial assets, at amortised cost		
Cash and cash equivalents	909,257	438,540
Fixed deposits	575,541	574,142
Other receivables (excluding prepayments)	25,013	25,982
Financial assets, at FVOCI	<u>2</u>	<u>2</u>
	<u>1,509,813</u>	<u>1,038,666</u>
 Financial liabilities, at amortised cost		
Other payables	90,035	146,527
Lease liabilities	93,976	203,753
	<u>184,011</u>	<u>350,280</u>

20. Financial risk management

The Home'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 Home is primarily funded by grants from Ministries, donations, and contributions from residents. The Home'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 Home will have insufficient resources to meet its financial liabilities as and when they fall due.

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

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

Home	Within one year S\$	Later than one year but within five years S\$	Total S\$
2021			
Financial liabilities			
Other payables	90,035	0	90,035
Lease liabilities	93,053	2,830	99,883
	<u>183,088</u>	<u>2,830</u>	<u>189,918</u>
 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>

20. 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 Home.

The carrying amounts of cash and cash equivalents, fixed deposits and other receivables represent the Home'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 Home'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>Home</u>				
<u>31 December 2021</u>				
Other receivables	12-month ECL	<u>31,413</u>	<u>(6,400)</u>	<u>25,013</u>
<u>31 December 2020</u>				
Other receivables	12-month ECL	<u>32,382</u>	<u>(6,400)</u>	<u>25,982</u>

Interest rate risk

The Home's exposure to interest rate risk is primarily from its fixed deposits placed with financial institutions and borrowing. The Home 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 Home are disclosed in Note 7.

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

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

	2021 S\$	2020 S\$
<u>Within one year – fixed rates</u>		
<i>Financial assets</i>		
Fixed deposits	<u>575,541</u>	<u>574,142</u>

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

21. 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 Home 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. 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 Home's operations are based in Singapore and its operations in 2021 in terms of financial viability has not been adversely impacted by the COVID-19 pandemic with donations raised from public and grants income provided by the government authority. Below is the summary of the impact of COVID-19 on the Home's financial performance reflected in this set of financial statements for the year ended 31 December 2021:

- i. The Home has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Management committee is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. The government has also implemented assistance measures which might mitigate some of the impact of COVID-19 on the Home'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 Home 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 2022. If the situation persists beyond management's current expectations, the Home's assets may be subject to further write downs in the subsequent financial periods.

23. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Management Committee of the Home on 25 June 2022.