

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 2022

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Fiducia LLP

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Public Accountants and
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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements of **Adventist Home for the Elders** (the "Home") are drawn up so as to present fairly, in all material respects, the state of affairs of the Home as at 31 December 2022, 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 30 June 2023

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, 30 June 2023

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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 2022, 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 2022, 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 Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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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Independent Auditor's report to the members of:

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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.

DocuSigned by:

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Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 30 June 2023

Partner-in-charge: Soo Hon Weng
PAB. No.: 01089

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	2022					2021				
		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											
- Non-tax deductible		24,721	0	0	0	24,721	29,994	0	0	0	29,994
- Tax deductible	4	144,229	0	0	0	144,229	103,285	0	0	0	103,285
Public assistance		33,320	0	0	0	33,320	25,800	0	0	0	25,800
Government and other grants											
- Bicentennial Community Fund		0	0	0	0	0	400,000	0	0	0	400,000
- MOH – Transition grant		359,859	0	0	0	359,859	322,953	0	0	0	322,953
- Others funds		6,866	0	0	0	6,866	6,071	0	0	0	6,071
		<u>568,995</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>568,995</u>	<u>888,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>888,103</u>
Income from charitable activities											
Contribution from residents		205,016	0	0	0	205,016	216,826	0	0	0	216,826
Collections from classes		0	0	0	0	0	2,445	0	0	0	2,445
		<u>205,016</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>205,016</u>	<u>219,271</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>219,271</u>
Investment income											
Interest income – Fixed deposit		575	0	0	0	575	939	0	0	0	939
Other income											
Collaboration fee		40,800	0	0	0	40,800	40,800	0	0	0	40,800
Interest income		124	0	0	0	124	124	0	0	0	124
Miscellaneous sales		17,593	0	0	0	17,593	20,832	0	0	0	20,832
Job support scheme		0	0	0	0	0	24,904	0	0	0	24,904
Utility expenses recovered		0	0	0	0	0	2,861	0	0	0	2,861
Special employment credit		0	0	0	0	0	957	0	0	0	957
Wages credit scheme		12,550	0	0	0	12,550	3,295	0	0	0	3,295
Job growth incentive		14,141	0	0	0	14,141	0	0	0	0	0
		<u>85,208</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,208</u>	<u>93,773</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>93,773</u>
Total income		<u>859,794</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>859,794</u>	<u>1,202,086</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,202,086</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)**

	Note	2022					2021				
		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\$		
EXPENSES											
Cost of charitable activities											
Event and outing expenses		78,613	0	0	0	78,613	73,707	4	0	0	73,711
Food expenses		22,283	0	0	0	22,283	17,500	7,821	0	0	25,321
Living allowance		215	0	0	0	215	0	0	0	0	0
Staff costs		127,633	0	0	0	127,633	108,820	0	0	0	108,820
		<u>228,744</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>228,744</u>	<u>200,027</u>	<u>7,825</u>	<u>0</u>	<u>0</u>	<u>207,852</u>
Governance and administrative costs											
Audit fee		3,210	0	0	0	3,210	11,128	0	0	0	11,128
Amortisation		1,427	0	0	0	1,427	0	0	0	0	0
Bank charges		290	0	0	0	290	458	0	0	0	458
Depreciation	9	90,301	0	0	41,429	131,730	131,945	0	0	41,429	173,374
Insurance		4,594	0	0	0	4,594	4,629	0	0	0	4,629
Interest on lease liability		5,130	0	0	0	5,130	7,567	0	0	0	7,567
Lease expense- short term lease		14,676	0	0	0	14,676	11,007	0	0	0	11,007
Subscription fee		1,788	0	0	0	1,788	1,788	0	0	0	1,788
Minor fixed assets		624	0	0	0	624	762	0	0	0	762
Miscellaneous expenses		10,404	0	0	0	10,404	10,717	0	0	0	10,717
Printing and stationery		922	0	0	0	922	1,315	0	0	0	1,315
Recruitment expenses		34	0	0	0	34	256	0	0	0	256
Repair and maintenance		18,804	0	0	0	18,804	5,666	0	0	0	5,666
Staff costs		283,407	0	0	0	283,407	255,962	0	0	0	255,962
Sub contract and consultant work		2,974	0	0	0	2,974	1,893	0	0	0	1,893
Telecommunication		7,641	0	0	0	7,641	8,131	0	0	0	8,131
Town council expenses		5,537	0	0	0	5,537	5,537	0	0	0	5,537
Transportation fee		1,500	0	0	0	1,500	31	0	0	0	31
Upkeep of motor vehicle		340	0	0	0	340	405	0	0	0	405
Water and electricity		27,838	0	0	0	27,838	24,207	0	0	0	24,207
		<u>481,441</u>	<u>0</u>	<u>0</u>	<u>41,429</u>	<u>522,870</u>	<u>483,404</u>	<u>0</u>	<u>0</u>	<u>41,429</u>	<u>524,833</u>
Total expenditure		<u>710,185</u>	<u>0</u>	<u>0</u>	<u>41,429</u>	<u>751,614</u>	<u>683,431</u>	<u>7,825</u>	<u>0</u>	<u>41,429</u>	<u>732,685</u>
Net income / (expenditure) for the financial year		<u>149,609</u>	<u>0</u>	<u>0</u>	<u>(41,429)</u>	<u>108,180</u>	<u>518,655</u>	<u>(7,825)</u>	<u>0</u>	<u>(41,429)</u>	<u>469,401</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 S\$	2021 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,039,625	909,257
Fixed deposits	7	576,117	575,541
Other receivables	8	24,675	29,291
		<u>1,640,417</u>	<u>1,514,089</u>
Non-current assets			
Property, plant and equipment	9	376,651	271,454
Intangible assets	11	12,483	0
Financial assets, at FVOCI	12	2	2
		<u>389,136</u>	<u>271,456</u>
Total assets		<u>2,029,553</u>	<u>1,785,545</u>
LIABILITIES			
Current liabilities			
Other payables	13	102,118	90,035
Lease liabilities	14	78,313	91,146
		<u>180,431</u>	<u>181,181</u>
Non-current liabilities			
Lease liabilities	14	139,408	2,830
Total liabilities		<u>319,839</u>	<u>184,011</u>
NET ASSETS		<u>1,709,714</u>	<u>1,601,534</u>
FUNDS			
Unrestricted fund			
General fund	15	1,557,739	1,408,130
Restricted funds			
Invictus Fund	15	0	0
Care and Share Fund	15	110,101	151,530
Maintenance and Development Fund	15	41,874	41,874
		<u>151,975</u>	<u>193,404</u>
TOTAL FUNDS		<u>1,709,714</u>	<u>1,601,534</u>

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Invictus Fund S\$	Care and Share Fund S\$	Maintenance and Development Fund S\$	
2022					
Balance as at 1 January 2022	1,408,130	0	151,530	41,874	1,601,534
Net income / (expenditure)	<u>149,609</u>	<u>0</u>	<u>(41,429)</u>	<u>0</u>	<u>108,180</u>
Balance as at 31 December 2022	<u><u>1,557,739</u></u>	<u><u>0</u></u>	<u><u>110,101</u></u>	<u><u>41,874</u></u>	<u><u>1,709,714</u></u>

	Unrestricted Fund	Restricted Funds			Total Funds S\$
	General Fund S\$	Invictus Fund S\$	Care and Share Fund S\$	Maintenance and Development Fund S\$	
2021					
Balance as at 1 January 2021	889,475	7,825	192,959	41,874	1,132,133
Net income / (expenditure)	<u>518,655</u>	<u>(7,825)</u>	<u>(41,429)</u>	<u>0</u>	<u>469,401</u>
Balance as at 31 December 2021	<u><u>1,408,130</u></u>	<u><u>0</u></u>	<u><u>151,530</u></u>	<u><u>41,874</u></u>	<u><u>1,601,534</u></u>

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S\$	2021 S\$
Cash flows from operating activities			
Net income for the financial year		108,180	469,401
Adjustments for:			
- Amortisation of intangible assets	11	1,427	0
- Depreciation of property, plant and equipment	9	131,730	173,374
- Interest income		(699)	(1,063)
- Interest expense on lease liabilities	14	5,130	7,567
Operating cash flow before working capital changes		<u>245,768</u>	<u>649,279</u>
Changes in working capital			
- Other receivables		4,616	(1,630)
- Other payables		12,084	(56,491)
Cash generated from operations		<u>262,468</u>	<u>591,158</u>
Interest received		124	124
Net cash generated from operating activities		<u>262,592</u>	<u>591,282</u>
Cash flows from investing activities			
Interest received		575	1,400
Increase in fixed deposits		(576)	(1,399)
Purchases of property, plant and equipment	9	(968)	(3,221)
Purchases of intangible assets	11	(13,910)	0
Net cash used in investing activities		<u>(14,879)</u>	<u>(3,220)</u>
Cash flows from financing activities			
Interest paid on lease liabilities		(5,130)	(7,567)
Principal payment of lease liabilities		(112,215)	(109,778)
Net cash used in financing activities		<u>(117,345)</u>	<u>(117,345)</u>
Net increase in cash and cash equivalents		130,368	470,717
Cash and cash equivalents at beginning of financial year		<u>909,257</u>	<u>438,540</u>
Cash and cash equivalents at end of financial year	6	<u>1,039,625</u>	<u>909,257</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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 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. Functional currency is the currency of the primary economic environment in which the Home operates. All financial information presented is denominated in Singapore Dollar unless otherwise stated.

The preparation of the financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Home'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 2022

In the current financial year, the Home 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 2022. 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/ amended FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

Descriptions	Annual periods commencing on
FRS 117 : Insurance Contracts Amendments to: - FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies - FRS 8 : Definition of Accounting Estimates - FRS 12, FRS 101 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction - FRS 117 : Insurance Contracts	1 January 2023
Amendments to: - FRS 1 : Classification of Liabilities as Current or Non-current - FRS 116 : Lease Liability in a Sale and leaseback - FRS 1 : Non-current Liabilities with Covenants	1 January 2024
Amendments to 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**

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 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.

Income is recognised as follows:

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 and non-profit organisations are recognised 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 costs, are deferred and recognised over the period necessary to match them with the costs they are intended to compensate.

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 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. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

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

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 Intangible assets

Intangible assets pertain to web design and computer software that is initially capitalised at cost that includes other directly attributable costs of preparing the web design and computer software for its intended use. Direct expenditure which enhances or extends the performance of web design and computer software beyond its specifications and which can be reliably measured is added to the original cost. Costs associated with maintaining web design and computer software are recognised as an expense when incurred.

Web design and computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised using the straight-line method over its estimated useful life of 3 years.

2. Significant accounting policies (Cont'd)**2.7 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.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. 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.

2.8 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of financial activities.

2. Significant accounting policies (Cont'd)**2.8 Financial assets (Cont'd)**

(a) Classification and measurement (Cont'd)

At subsequent measurementDebt instruments

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

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 asset:

- **Amortised cost:** 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 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 from equity to 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".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in the statement of financial activities in the period in which it arises and presented in "other gains and losses".

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 financial activities 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 financial activities as "Dividend income".

2. Significant accounting policies (Cont'd)**2.8 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 and FVOCI. 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. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the statement of financial activities.

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

2.9 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.

2.10 Other payables

Other payables excluding accruals are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.11 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 probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2. Significant accounting policies (Cont'd)**2.12 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.

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.

2.13 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:

- 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.

2. Significant accounting policies (Cont'd)**2.13 Leases (Cont'd)**

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit 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.

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 Home'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 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.

2. Significant accounting policies (Cont'd)**2.13 Leases (Cont'd)**

- Short term and low value leases

The Home has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less from the commencement date and do not contain a purchase option and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to the 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 Home shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payment.

2.14 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.

2.15 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.

2.16 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Home's purposes.

2.17 Employee compensationDefined 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.

2. Significant accounting policies (Cont'd)**2.17 Employee compensation (Cont'd)**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.

2.18 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.

2.19 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 and intangible assets*

The Home reviews annually the estimated useful lives of property, plant and equipment and intangible assets 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, intangible assets and the depreciation charge for the financial year are disclosed in Note 9 and Note 11.

3.1.2 *Impairment of property, plant and equipment and intangible assets*

Property, plant and equipment and intangible assets 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 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.

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:

	2022	2021
	S\$	S\$
Statement of Financial Activities:		
- Donations	144,229	103,285

5. Staff costs

	2022	2021
	S\$	S\$
(Reversal)/ provision for unutilised leave	(876)	2,841
CPF contributions	40,226	33,961
Foreign worker levy	22,808	25,234
Medical expenses	2,461	1,876
Salaries and bonuses	341,544	299,047
Staff welfare	3,885	1,753
Training expenses	992	70
	411,040	364,782

5. Staff costs (Cont'd)

	2022 S\$	2021 S\$
Staff costs are allocated as follows:		
- Costs of charitable activities	127,633	108,820
- Governance and administrative cost	<u>283,407</u>	<u>255,962</u>
	<u><u>411,040</u></u>	<u><u>364,782</u></u>

6. Cash and cash equivalents

	2022 S\$	2021 S\$
Cash on hand	5,000	4,500
Cash at banks	<u>1,034,625</u>	<u>904,757</u>
	<u><u>1,039,625</u></u>	<u><u>909,257</u></u>

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

7. Fixed deposits

	2022 S\$	2021 S\$
Fixed deposits	<u>576,117</u>	<u>575,541</u>

Fixed deposits at the reporting date had an average maturity of 7 months (2021: 7 months) from that date and had a weighted average effective interest rate of 0.12% (2021:0.25%) per annum.

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

8. Other receivables

	2022 S\$	2021 S\$
Amount due from:		
- related parties	0	6,400
Less: Allowance for impairment	<u>0</u>	<u>(6,400)</u>
	0	0
Advances to staffs	5,600	10,800
Deposits	13,631	13,630
Interest receivables	584	583
Other receivables	4,860	0
Prepayment	<u>0</u>	<u>4,278</u>
	<u><u>24,675</u></u>	<u><u>29,291</u></u>

8. Other receivables (Cont'd)

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

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

Receivables that are impaired

	2022 S\$	2021 S\$
Other receivables – nominal amounts	0	6,400
Allowance for impairment	0	(6,400)
	<u>0</u>	<u>0</u>

Movement in the allowance for impairment of other receivables:

	2022 S\$	2021 S\$
Beginning of financial year	6,400	6,400
Reversal	(6,400)	0
End of financial year	<u>0</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

	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	ROU assets – Office units S\$	Total S\$
2022					
Cost					
Beginning of financial year	238,735	56,417	575,669	501,745	1,372,566
Additions	968	0	0	235,959	236,927
Written off	0	0	0	(352,027)	(352,027)
End of financial year	<u>239,703</u>	<u>56,417</u>	<u>575,669</u>	<u>385,677</u>	<u>1,257,466</u>
Accumulated depreciation					
Beginning of financial year	173,897	28,186	480,072	418,957	1,101,112
Depreciation	16,417	5,642	6,466	103,205	131,730
Written off	0	0	0	(352,027)	(352,027)
End of financial year	<u>190,314</u>	<u>33,828</u>	<u>486,538</u>	<u>170,135</u>	<u>880,815</u>
Carrying amount	<u>49,389</u>	<u>22,589</u>	<u>89,131</u>	<u>215,542</u>	<u>376,651</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\$
2021					
Cost					
Beginning of financial year	235,514	56,417	575,669	501,745	1,369,345
Additions	3,221	0	0	0	3,221
End of financial year	238,735	56,417	575,669	501,745	1,372,566
Accumulated depreciation					
Beginning of financial year	155,833	22,545	431,130	318,230	927,738
Depreciation	18,064	5,641	48,942	100,727	173,374
End of financial year	173,897	28,186	480,072	418,957	1,101,112
Carrying amount	64,838	28,231	95,597	82,788	271,454

The following property, plant and equipment were purchased through the Care and Share Matching Fund as disclosed in Note 16.

	Furniture and equipment S\$	Motor vehicle S\$	Leasehold improvement S\$	Total S\$
2022				
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	76,582	28,187	142,133	246,902
Depreciation	11,353	5,642	24,434	41,429
End of financial year	87,935	33,829	166,567	288,331
Carrying amount	34,541	22,588	77,777	134,906
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

10. Leases – The Home as a lessee

Nature of the Home’s leasing activities

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

(a) Carrying amount

ROU assets classified within property, plant and equipment

	2022 S\$	2021 S\$
Office units	215,542	82,788
(b) Depreciation charged		
Office units	103,205	100,727
(c) Interest expense on lease liabilities		
Office units	5,130	7,567
(d) Lease expense not capitalised in lease liabilities		
Lease expense – short term lease (office units)	14,676	11,007

(e) Total cash outflow for office unit lease in 2022 was S\$132,021 (2021: S\$128,352).

11. Intangible assets

	Web design S\$	Software development in progress S\$	Total S\$
2022			
Cost			
Beginning of financial year	0	0	0
Additions	4,280	9,630	13,910
End of financial year	4,280	9,630	13,910
Accumulated depreciation			
Beginning of financial year	0	0	0
Amortisation	1,427	0	1,427
End of financial year	1,427	0	1,427
Carrying amount	2,853	9,630	12,483

Software development in progress amounting to S\$9,630 represents costs incurred at the reporting date for the software development and its implementation. Software development in progress included in intangible assets is not depreciated as the implementation has yet to be completed and available for use.

12. Financial assets, at FVOCI

Other financial assets are classified as follows:

	2022 S\$	2021 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	6,998
Allowance made	<u>0</u>	<u>0</u>
At end of financial year	<u>6,998</u>	<u>6,998</u>
Carrying amount	<u><u>2</u></u>	<u><u>2</u></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" which state 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

	2022 S\$	2021 S\$
Amount due to a related party	6,000	6,000
Accrued operating expenses	34,834	23,320
CPF payables	10,971	10,326
Deposits received from residents	38,400	35,200
Other payables	0	2,400
Provision for unutilised leave	<u>11,913</u>	<u>12,789</u>
	<u><u>102,118</u></u>	<u><u>90,035</u></u>

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

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

14. Lease liabilities

	2022 S\$	2021 S\$
Current	78,313	91,146
Non-current	<u>139,408</u>	<u>2,830</u>
	<u>217,721</u>	<u>93,976</u>

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

	01.01.2022 S\$	Additions S\$	Cash flows S\$	Non – cash charges		31.12.2022 S\$
				Accretion of interests S\$	Other S\$	
Lease liabilities						
- current	91,146	21,069	(117,345)	5,130	78,313	78,313
- non-current	<u>2,830</u>	<u>214,891</u>	<u>0</u>	<u>0</u>	<u>(78,313)</u>	<u>139,408</u>
	<u>93,976</u>	<u>235,960</u>	<u>(117,345)</u>	<u>5,130</u>	<u>0</u>	<u>217,721</u>

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

15. Funds

Funds comprise of unrestricted and restricted fund.

15.1 Unrestricted general fund

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

15.2 Restricted funds

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes.

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 Care and Share Fund

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

15.2.3 Maintenance and Development Fund

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

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 2022	<u>0</u>	<u>110,101</u>	<u>41,874</u>	<u>151,975</u>
Represented by:				
Cash and bank balances	0	(24,805)	41,874	17,069
Property, plant and equipment	<u>0</u>	<u>134,906</u>	<u>0</u>	<u>134,906</u>
	<u>0</u>	<u>110,101</u>	<u>41,874</u>	<u>151,975</u>
	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>

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:

	2022 S\$	2021 S\$
<u>Common control</u>		
Event and outing expenses	<u>70,852</u>	<u>63,828</u>
<u>Transaction with members of the Home</u>		
Donations received from committee members	(50,491)	(14,602)
Maintenance services provide by committee members	<u>4,253</u>	<u>1,056</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:

	2022 S\$	2021 S\$
Salaries, allowance and bonuses	224,209	210,429
CPF and SDL contributions	<u>32,424</u>	<u>30,702</u>
	<u>256,633</u>	<u>241,131</u>

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

	2022	2021
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>1</u>

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

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

17. Commitments

Capital commitments

Capital expenditure contracted for at the reporting date not recognised in the financial statements is as follows:

	2022 S\$	2021 S\$
Software development	<u>22,680</u>	<u>0</u>

18. 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.

19. Reserve position and policy

The Home's reserve position for financial year ended 31 December 2022 and 31 December 2021 is as follows:

		2022	2021	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	General fund	1,558	1,408	10.65
B	Restricted or Designated Funds			
	Invictus Fund	0	0	0
	Care and Share fund	110	151	(27.15)
	Maintenance and development fund	42	42	0
C	Endowment Funds	0	0	0
D	Total Funds	1,710	1,601	6.81
E	Total Annual Operating Expenditure	752	733	2.59
F	Ratio of Funds to Annual Operating Expenditure (A/E)	2.07	1.92	

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 Home desires to build up reserves to meet up to 3 years' of operating expenditure.

20. Financial instruments

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

	2022	2021
	S\$	S\$
Financial assets, at amortised cost		
Cash and cash equivalents	1,039,625	909,257
Fixed deposits	576,117	575,541
Other receivables (excluding prepayment)	24,675	25,013
Financial assets, at FVOCI	<u>2</u>	<u>2</u>
	<u>1,640,419</u>	<u>1,509,813</u>
Financial liabilities, at amortised cost		
Other payables	102,118	90,035
Lease liabilities	217,721	93,976
	<u>319,839</u>	<u>184,011</u>

21. 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.

	Within one year S\$	Later than one year but within five years S\$	Total S\$
2022			
Financial liabilities			
Other payables	102,118	0	102,118
Lease liabilities	<u>86,992</u>	<u>145,137</u>	<u>232,129</u>
	<u>189,110</u>	<u>145,137</u>	<u>334,247</u>
2021			
Financial liabilities			
Other payables	90,035	0	90,035
Lease liabilities	<u>97,053</u>	<u>2,830</u>	<u>99,883</u>
	<u>187,088</u>	<u>2,830</u>	<u>189,918</u>

21. 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, 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 2022</u>				
Other receivables	12-month ECL	31,075	(6,400)	24,675
<u>31 December 2021</u>				
Other receivables	12-month ECL	31,413	(6,400)	25,013

Interest rate risk

The Home's exposure to interest rate risk is primarily from its fixed deposits placed with financial institutions. 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.

	2022 S\$	2021 S\$
<u>Within one year – fixed rates</u>		
<i>Financial assets</i>		
Fixed deposits	576,117	575,541

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

22. 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.

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

As the COVID-19 situation has improved and moved from pandemic to endemic, restrictions have been gradually lifted. Unless there is any new COVID-19 variant causing the government to restart the safe management measures, the Home can reasonably ascertain that the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2023 would be marginal.

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 situation and will take further action as necessary in response to the service disruption.

24. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Management Committee on 30 June 2023.