

GRACE LODGE
(UEN: S88SS0120C)
(Registered in Singapore Under the Societies Act)

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021

GRACE LODGE

(UEN: S88SS0120C)

(Registered in Singapore Under the Societies Act)

FINANCIAL STATEMENTS - 31 MARCH 2021

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Statement by the Executive Committee Members

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In the opinion of the Executive Committee:

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in funds and statement of cash flows together with the notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of Grace Lodge (the "Society") as at 31 March 2021 and the results, changes in funds and cash flows of the Society for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

On behalf of the Executive Committee



.....
KUAN YAN
PRESIDENT



.....
TOH SENG POH
HON. TREASURER



.....
YEO YAM HOW
HON. SECRETARY

18 SEP 2021

GRACE LODGE

Independent Auditor's Report For the Financial Year Ended 31 March 2021

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To the members of Grace Lodge

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Grace Lodge (the Society), which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in funds and statement of cash flows 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, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore (SFRSs), so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2021 and the results, changes in funds and cash flows of the Society 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the statement by the executive committee members and the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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Independent Auditor's Report For the Financial Year Ended 31 March 2021

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To the members of Grace Lodge (cont'd)

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

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - 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 Society'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 Society to cease to continue as a going concern.
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ROBERT YAM & CO PAC

Incorporated with limited liability
UEN: 201833873N

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Independent Auditor's Report For the Financial Year Ended 31 March 2021

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To the members of Grace Lodge (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

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

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



Robert Yam & Co PAC
Public Accountants and
Chartered Accountants
Singapore

18 September 2021

GRACE LODGE**Statement of Financial Position
As at 31 March 2021**

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	Note	2021 S\$	2020 S\$
ASSETS			
Non-current assets			
Plant and equipment	5	1,016,084	1,097,793
Current assets			
Trade and other receivables	6	1,775,806	1,125,930
Prepayments		8,540	8,563
Cash and cash equivalents	7	7,927,512	6,680,635
		9,711,858	7,815,128
Total assets		10,727,942	8,912,921
FUNDS AND LIABILITIES			
Funds			
<u>Unrestricted funds</u>			
Accumulated Fund		7,723,287	6,183,085
<u>Restricted funds</u>			
Ministry of Health (MOH) Medifund account		945,413	856,802
Agency for Integrated Care - Community Silver Trust grant ("AIC CST grant")		372,524	243,681
Total funds		9,041,224	7,283,568
Non-current liabilities			
Deferred capital grant	9	161,606	188,954
		161,606	188,954
Current liabilities			
Deferred capital grant	9	27,348	27,348
Trade and other payables	10	1,386,936	1,309,081
Patients' deposits	11	110,828	103,970
		1,525,112	1,440,399
Net current assets		8,186,746	6,374,729
Total liabilities		1,686,718	1,629,353
Net assets		9,041,224	7,283,568
Total funds and liabilities		10,727,942	8,912,921

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

GRACE LODGE

**Statement of Comprehensive Income
For the Financial Year Ended 31 March 2021**

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	Note	Unrestricted	Restricted		Total funds S\$	2020 Total funds S\$
		Accumulated fund S\$	← 2021 → AIC CST grant S\$ MOH Medifund account S\$			
INCOME						
Voluntary income	12	139,745	-	-	139,745	94,410
Activities for generating funds	13	2,623,382	-	(379,639)	2,243,743	1,816,196
Income from charitable activities	14	8,317,112	128,843	468,250	8,914,205	7,770,312
Investment income	15	719	-	-	719	8,192
Other income	16	332,608	-	-	332,608	167,501
Total income		11,413,566	128,843	88,611	11,631,020	9,856,611
Less: EXPENDITURES						
Administrative charges for on-line donation		-	-	-	-	1,721
Audit fee		18,300	-	-	18,300	19,700
Bank charges		596	-	-	596	344
Bonus	17	408,803	-	-	408,803	348,361
CPF, SDL and FWL	17	573,914	-	-	573,914	670,508
Consumable/surgical items - non-standard		105,004	-	-	105,004	82,304
- standard		84,088	-	-	84,088	87,953
Daily meals, refreshment and cooking expenses		130,339	-	-	130,339	26,942
Depreciation of plant and equipment	5	225,657	-	-	225,657	204,042
Gas, water and electricity		153,764	-	-	153,764	183,095
Hospitality and gifts		-	-	-	-	516
Insurance		10,627	-	-	10,627	14,176
Laboratory, X-ray expenses		12,171	-	-	12,171	9,862
License fee		26,493	-	-	26,493	2,237
Locum fee		22,398	-	-	22,398	41,855
Loss on disposal of plant and equipment		5,377	-	-	5,377	2,917
Bad debts written off		3,408	-	-	3,408	-
Maintenance and services		23,075	-	-	23,075	31,249
Medical and surgical supplies		33,585	-	-	33,585	27,173
Oxygen supply expenses		5,169	-	-	5,169	3,190
Laundry services		120,714	-	-	120,714	119,516
Catering services		485,297	-	-	485,297	483,549
Cleaning services		309,300	-	-	309,300	286,320
Management fee		96,000	-	-	96,000	96,000
Nursing care service		29,342	-	-	29,342	24,975
Other consumables (diapers)		144,526	-	-	144,526	136,052
Other staff benefits	17	772,048	-	-	772,048	17,984
Pharmacy and medical fees		125,385	-	-	125,385	90,786
Physiotherapy services		94,815	-	-	94,815	70,020
Postage and stamps		1,140	-	-	1,140	620
Printing and stationery		13,449	-	-	13,449	13,788
Professional fee		-	-	-	-	4,800
Recreation and activities		10,520	-	-	10,520	10,290
Recruitment expenses		44,503	-	-	44,503	28,209

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**Statement of Comprehensive Income (cont'd)
For the Financial Year Ended 31 March 2020**

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	Unrestricted	Restricted		Total	2020
		← 2021 →			
Note	Accumulated fund S\$	AIC CST grant S\$	MOH Medifund account S\$	funds S\$	Total funds S\$
Less: EXPENDITURES (cont'd)					
Rental	2,153,188	-	-	2,153,188	2,280,000
Salaries	17 3,053,199	-	-	3,053,199	2,722,216
Sundry expenses	84,896	-	-	84,896	57,377
Small assets	37,422	-	-	37,422	29,694
Staff training and course fees	8,680	-	-	8,680	5,574
Telephone charges	3,000	-	-	3,000	3,000
Tube fees/health supplements	166,797	-	-	166,797	144,132
Upkeep of motor vehicles	8,651	-	-	8,651	11,590
Uniforms	21,598	-	-	21,598	21,312
Unclaimable GST expenses	246,126	-	-	246,126	213,205
Total expenditures	9,873,364	-	-	9,873,364	8,629,154
Net surplus for the year	1,540,202	128,843	88,611	1,757,656	1,227,457

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

GRACE LODGE

**Statement of Changes in Funds
For the Financial Year Ended 31 March 2021**

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		<----- Restricted ----->		
	Accumulated fund S\$	AIC CST grant S\$	MOH Medifund account S\$	Total S\$
Balance as at 1 April 2019	5,327,694	339,878	423,350	6,090,922
Net surplus for the year	855,391	-	-	855,391
Addition of funds	-	-	874,300	874,300
Refund of funds	-	(34,811)	-	(34,811)
Utilisation of funds	-	(61,386)	(440,848)	(502,234)
Balance as at 31 March 2020	<u>6,183,085</u>	<u>243,681</u>	<u>856,802</u>	<u>7,283,568</u>
Net surplus for the year	1,540,202	-	-	1,540,202
Addition of funds	-	128,843	468,250	597,093
Utilisation of funds	-	-	(379,639)	(379,639)
Balance as at 31 March 2021	<u><u>7,723,287</u></u>	<u><u>372,524</u></u>	<u><u>945,413</u></u>	<u><u>9,041,224</u></u>

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

GRACE LODGE**Statement of Cash Flows
For the Financial Year Ended 31 March 2021**

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	Note	2021 S\$	2020 S\$
Cash flows from operating activities:			
Net surplus for the year		1,757,656	1,227,457
<u>Adjustments for:</u>			
Depreciation of plant and equipment	5	225,657	204,042
Loss on write-off of plant and equipment		5,377	2,917
		<u> </u>	<u> </u>
Operating cash flow before working capital changes		1,988,690	1,434,416
<u>Changes in working capital:</u>			
Trade and other receivables		(649,876)	(675,580)
Prepayments		23	(219)
Changes in restricted cash – Medifund account		(88,611)	(433,452)
Changes in restricted cash – AIC CST Grant		(128,843)	61,386
Trade and other payables		77,855	(633,339)
Patients' deposits		6,858	7,740
Deferred capital grant		(27,348)	216,302
		<u> </u>	<u> </u>
Net cash from/(used in) operating activities		1,178,748	(22,746)
		<u> </u>	<u> </u>
Cash flows from investing activities:			
Purchase of plant and equipment	5	(149,325)	(139,706)
		<u> </u>	<u> </u>
Net cash used in investing activities		(149,325)	(139,706)
		<u> </u>	<u> </u>
Net increase/(decrease) in cash and cash equivalents		1,029,423	(162,452)
Cash and cash equivalents at beginning of year		5,580,152	5,742,604
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year	7	6,609,575	5,580,152
		<u> </u>	<u> </u>

There are no reconciliation amounts for the non-cash changes in liabilities arising from financing activities.

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

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

1. General information

The Grace Lodge (the "Society") is registered under the Societies Act, Chapter 311 and is domiciled in the Republic of Singapore. The Society is also an approved charity under the Charities Act, Chapter 37 and has been an Institution of Public Character (IPC) since 6 March 1990. Its present IPC status is effective from 1 September 2019 to 31 August 2021.

Its registered address and principal place of activities is located at Fu Hui Link, 19 Compassvale Walk, Singapore 544644.

The principal activity of the Society is the provision of shelter and nursing care services for the needy, handicapped people and the aged sick in Singapore.

The financial statements for the financial year ended 31 March 2021 were authorised for issue by the Executive Committee on 18 September 2021.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Accounting convention

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

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollar ("S\$") which is the functional currency of the Society.

3. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and revised standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial statements, unless otherwise indicated.

3. Significant accounting policies (cont'd)**3.1 Plant and equipment**

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

	<u>Useful lives</u>
Furniture & fittings	10 years
Equipment	3 to 10 years
Motor vehicles	10 years
Renovation	10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

3.2 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. Significant accounting policies (cont'd)**3.3 Financial Instruments**Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition, the financial asset or financial liability is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or financial liability.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement of financial assets**Financial asset classified as measured at amortised cost**

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

Classification and measurement of financial liabilities

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

3.4 Fair value estimation of financial assets and liabilities

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event, the fair values are disclosed in the relevant notes to the financial statements.

3. Significant accounting policies (cont'd)

3.5 Impairment of financial assets

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Society considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand. For the purpose of presentation in the statement of cash flows, restricted cash are excluded.

3.7 Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Changes in estimates are reflected in profit or loss in the financial year they occur.

3. Significant accounting policies (cont'd)

3.8 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3.9 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity such as the Central Provident Fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(b) Employee leave 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 end of the reporting period.

3.10 Revenue recognition

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

3. Significant accounting policies (cont'd)

3.10 Revenue recognition (cont'd)

Revenues from residents' fees are recognised when due and receivable.

Donations are recognised as income when received.

Income from rendering of services is recognised when the services are rendered.

Subsidies from Ministry of Health are recognised as and when received.

3.11 Donation in kind

Assets given for use by the Society are recognised as incoming resources and within the relevant plant and equipment category of the statement of financial position when its fair value can be measured reliably and it is receivable. Goods donated as consumables are recorded at values based on a reasonable estimate of their value (if material). Assets which are donated for resale, distribution or consumption are not recorded when received as it is usually not practical to ascertain the value of the items involved. No value is ascribed to volunteer services. The donation is recognised if the amount of the donation in kind can be measured reliably and there is no uncertainty that it will be received.

3.12 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activity of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

Accumulated Fund

This fund, which is unrestricted, is expendable at the discretion of the Executive Committee in furtherance of the Society's objectives.

Restricted Funds

Ministry of Health Medifund Account ("MOH Medifund account") is a restricted fund set up to account for the disbursement by the Ministry of Health (MOH) to the Society to help needy patients approved by the Medifund Facility Committee. The fund is placed in a designated bank account solely for this purpose.

Agency for Integrated Care - Community Silver Trust grant ("AIC CST grant") is a restricted fund set up to account for grant received from the Community Silver Trust, which is a dollar-for-dollar matching grant provided by the Government and is managed by MOH and administered by the Agencies of Integrated Care.

3. Significant accounting policies (cont'd)

3.13 Income tax

The Society is exempt from income tax under Section 13(1)(zm) of the Singapore Income Tax Act.

4 Significant accounting judgement and estimates

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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**Notes to the Financial Statements
For the Financial Year Ended 31 March 2021**

5. Plant and equipment		Furniture and fittings S\$	Equipment S\$	Motor vehicles S\$	Renovation S\$	Total S\$
<u>2021</u>						
Cost						
At 1 April 2020	59,723	1,565,093	178,015	341,289		2,144,120
Additions	-	107,575	-	41,750		149,325
Write-offs	(1,740)	(24,838)	-	-		(26,578)
At 31 March 2021	<u>57,983</u>	<u>1,647,830</u>	<u>178,015</u>	<u>383,039</u>		<u>2,266,867</u>
Accumulated depreciation						
At 1 April 2020	29,158	832,871	140,966	43,332		1,046,327
Depreciation charge	5,736	168,273	15,187	36,461		225,657
Write-offs	(953)	(20,248)	-	-		(21,201)
At 31 March 2021	<u>33,941</u>	<u>980,896</u>	<u>156,153</u>	<u>79,793</u>		<u>1,250,783</u>
Net book value						
At 31 March 2021	<u>24,042</u>	<u>666,934</u>	<u>21,862</u>	<u>303,246</u>		<u>1,016,084</u>

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Notes to the Financial Statements
For the Financial Year Ended 31 March 2021

5. Plant and equipment (cont'd)		Furniture and fittings S\$	Equipment S\$	Motor vehicles S\$	Renovation S\$	Total S\$
<u>2020</u>						
Cost						
At 1 April 2019		59,633	1,532,719	178,015	238,993	2,009,360
Additions		900	36,510	-	102,296	139,706
Write-offs		(810)	(4,136)	-	-	(4,946)
At 31 March 2020		59,723	1,565,093	178,015	341,289	2,144,120
Accumulated depreciation						
At 1 April 2019		23,575	681,433	123,322	15,984	844,314
Depreciation charge		5,893	153,157	17,644	27,348	204,042
Write-offs		(310)	(1,719)	-	-	(2,029)
At 31 March 2020		29,158	832,871	140,966	43,332	1,046,327
Net book value						
At 31 March 2020		30,565	732,222	37,049	297,957	1,097,793

6. Trade and other receivables

	2021 S\$	2020 S\$
Trade receivables - non-related parties	1,579,582	853,956
Less: Allowance for doubtful debts	(1,416)	(2,773)
	<u>1,578,166</u>	<u>851,183</u>
Other receivables	149,276	225,623
Sundry receivables	48,364	49,124
	<u>1,775,806</u>	<u>1,125,930</u>
	=====	=====

Trade receivables are non-interest bearing and are generally on 15 to 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Sundry receivables are non-trade related, unsecured, non-interest bearing and repayable on demand.

Trade receivables that are impaired

	Individually impaired S\$	Total S\$
Movement in the allowance for impairment:		
Balance as at 1 April 2019	5,321	5,321
Recovered (Note 16)	(2,548)	(2,548)
	<u>2,773</u>	<u>2,773</u>
Balance as at 31 March 2020	2,773	2,773
Recovered (Note 16)	(1,357)	(1,357)
	<u>1,416</u>	<u>1,416</u>
End of financial year	=====	=====

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments.

For purpose of impairment assessment, the trade and other receivables are considered to have low credit risk as revenue from patients are covered by recurrent grants from MOH and there have been no historical losses. There has been no significant increase in the risk of default since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL). No loss allowance is deemed necessary.

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For the Financial Year Ended 31 March 2021**

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7. Cash and cash equivalents

	2021 S\$	2020 S\$
Cash and short-term deposits:		
Cash at bank	7,926,488	6,680,224
Cash on hand	1,024	411
	<u>7,927,512</u>	<u>6,680,635</u>
	=====	=====

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2021 S\$	2020 S\$
Cash and short-term deposits	7,927,512	6,680,635
Less: Restricted cash - Medifund account	(945,413)	(856,802)
- AIC CST Grant	(372,524)	(243,681)
	<u>6,609,575</u>	<u>5,580,152</u>
	=====	=====

Short-term bank deposits mature within 1 month (2020: 1 month) from the financial year end and earn interest at the respective short-term deposit rates.

The short-term deposit rates at the end of the reporting year range from 0.03% to 0.08% (2020: 0.03% to 0.08%) per annum.

8. Government grants

	2021 S\$	2020 S\$
<i><u>Recurrent grant from Ministry of Health</u></i>		
Beginning of financial year	-	-
Grants received during the year (Note 14)	6,778,835	6,261,945
Grants utilised during the year	(6,778,835)	(6,261,945)
	<u>-</u>	<u>-</u>
	=====	=====

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Notes to the Financial Statements
For the Financial Year Ended 31 March 2021

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8. Government grants (cont'd)	2021 S\$	2020 S\$
<u>Healthcare Productivity Fund (HPF) grant from Agency for Integrated Care (AIC)</u>		
Beginning of financial year	-	-
Grants received during the year (Note 14)	1,880	13,515
Grants utilised during the year	(1,880)	(13,515)
	<u> </u>	<u> </u>
End of financial year	-	-
	=====	=====

These are unrestricted designated grants received from the Government of Singapore to subsidise and aid in the expenses of the patients.

9. Deferred capital grant	2021 S\$	2020 S\$
Beginning of the year	216,302	-
Grants received during the year	-	243,650
Recognition for the year (Note 16)	(27,348)	(27,348)
	<u> </u>	<u> </u>
End of the year	188,954	216,302
	=====	=====
Current	27,348	27,348
Non-current	161,606	188,954
	<u> </u>	<u> </u>
	188,954	216,302
	=====	=====

During the year, a capital expenditure grant of NIL (2020: S\$243,650) was received from Ministry of Health ("MOH") for the renovation work at the dementia ward.

These capital grants are amortised over the useful lives of the related property, plant and equipment which is 10 years.

10. Trade and other payables	2021 S\$	2020 S\$
Trade payables - non-related parties	214,258	238,268
Amount due to a related party	1,129,747	554,293
Accruals	18,000	485,418
	<u> </u>	<u> </u>
Financial liabilities (Note 19)	1,362,005	1,277,979
GST payables	24,931	31,102
	<u> </u>	<u> </u>
	1,386,936	1,309,081
	=====	=====

10. Trade and other payables (cont'd)

Trade payables are non-interest bearing and are generally on 30 days' terms.

Amount due to a related party is non-trade related, unsecured, non-interest bearing and repayable on demand.

11. Patients' deposits

Patients' deposits are refundable deposits received from patients upon admission and refundable upon discharge of the patients from the Nursing Home. The quantum varies for each patient and is dependent upon their ability to pay and committed monthly payments based on financial counselling and social worker's report.

12. Voluntary income

	2021 S\$	2020 S\$
Donation received	11,457	4,810
Tax-exempt donations received	128,288	89,600
	<u>139,745</u>	<u>94,410</u>
	=====	=====

13. Activities for generating funds

	2021 S\$	2020 S\$
Revenue from patients	9,216,379	8,583,559
Less: Patients' subsidies	(6,592,997)	(6,326,515)
Less: Utilisation of fund	(379,639)	(440,848)
	<u>2,243,743</u>	<u>1,816,196</u>
	=====	=====

14. Income from charitable activities

	2021 S\$	2020 S\$
Received from MOH		
- Medifund grant	468,250	874,300
- Recurrent grant subsidy	6,778,835	6,261,945
- Rental subvention	413,701	620,552
- Replacement ratio	9,346	-
AIC-HPF Fund received	1,880	13,515
AIC-CST grant received	128,843	-
AIC-Other Fund received	1,113,350	-
	<u>8,914,205</u>	<u>7,770,312</u>
	=====	=====

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**Notes to the Financial Statements
For the Financial Year Ended 31 March 2021**

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15. Investment income

	2021 S\$	2020 S\$
Bank interest income	719	8,192
	=====	=====

16. Other income

	2021 S\$	2020 S\$
Reversal of allowance for impairment of trade receivables	1,357	2,548
Salary adjustment exercise subsidy	-	-
Wage credit scheme	38,336	14,358
Jobs Credit grant	5,979	3,694
MOH capital expenditure income (Note 9)	27,348	27,348
Special ad-hoc bonus	-	2,000
Job support scheme	228,088	117,553
Sundry income	31,500	-
	-----	-----
	332,608	167,501
	=====	=====

In 2020, the Company received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Company assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing from April 2020. Government grant income of S\$228,088 was recognised during the year.

17. Staff costs

	2021 S\$	2020 S\$
Salaries	3,053,199	2,722,216
Bonus	408,803	348,361
CPF contribution, SDL and FWL	573,914	670,508
Other short-term employee benefits	772,048	17,984
	-----	-----
	4,807,964	3,759,069
	=====	=====
Average number of employees	137	145
	=====	=====

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Notes to the Financial Statements For the Financial Year Ended 31 March 2021

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17. Staff costs (cont'd)

Number of staffs in remuneration band:

	2021 S\$	2020 S\$
S\$100,001 - S\$200,000	1	1
S\$50,001 - S\$100,000	6	7
S\$50,000 and below	133	137
	=====	=====

18. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Society and related parties took place at terms agreed between the parties during the financial year:

	2021 S\$	2020 S\$
Rental of office premises, water and electricity charged by a related party	2,306,952	2,463,095
Management fee paid to a related party	96,000	96,000
	=====	=====

Related parties comprise mainly entities which are controlled or significantly influenced by members of the Executive Committee.

Key management personnel compensation:

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Society. The members of the Executive Committee are considered key management personnel and did not receive any form of remuneration for the financial years ended 31 March 2021 and 2020.

19. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	2021 S\$	2020 S\$
<u>Financial assets</u>		
Financial assets at amortised cost:		
Trade and other receivables	1,775,806	1,125,930
Cash and cash equivalents	7,927,512	6,680,635
	=====	=====
	9,703,318	7,806,565
	=====	=====

19. Categories of financial assets and liabilities (cont'd)

	2021 S\$	2020 S\$
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Trade and other payables	1,362,005	1,277,979
Patients' deposits	110,828	103,970
	<u>1,472,833</u>	<u>1,381,949</u>
	=====	=====

Further quantitative disclosures are included throughout these financial statements.

20. Financial risk management

The Society's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

The Executive Committee reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been, throughout the current and previous financial year, the Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The major classes of financial assets of the Society are trade and other receivables and cash and cash equivalents.

As the Society does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12-month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

20. Financial risk management (cont'd)

(a) Credit risk (cont'd)

For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Credit risk concentration profile

The Society has no concentration of credit risk, with exposure spread over a large number of counterparties and patients, apart from cash and cash equivalents placed with reputable licensed banks in Singapore.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society manages its liquidity risk by maintaining an adequate level of cash and cash equivalents. The Executive Committee is satisfied that funds are available to finance the operations of the Society.

The Society's financial liabilities, which comprise of trade and other payables and patients' deposits, mature within 12 months from the end of the reporting period based on contractual undiscounted repayment obligations.

21. Fair value of assets and liabilities

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, and patients' deposits are reasonable approximation of fair values due to their short-term nature.

22 Capital management

The Society's objectives when managing capital are to safeguard the Society's ability to continue as a going concern so that it can continue to provide delivery of its services and programmes to the public and its members.

The capital structure of the Society consists of accumulated fund and MOH Medifund account, as shown in the statement of financial position. In order to maintain the capital structure, the Society may appeal for donation from the general public.

The Society reviews its accumulated fund at least once annually to ensure that the Society will be able to continue as a going concern. The Society's overall strategy remains unchanged from 2020.

The Society is not subject to any externally imposed capital requirements for the financial years ended 31 March 2021 and 2020, respectively.

23. Columnar presentation of statement of financial position

A large majority of the assets and liabilities are attributable to the Accumulated Fund. All the assets of the other funds are represented by cash and plant and equipment balances. Accordingly, the Society did not adopt a columnar presentation of its assets, liabilities and funds in the Statement of Financial Position as it was not meaningful.

24. Changes and adoption of financial reporting standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards does not result in changes to the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

FRSs effective for annual period beginning on or after 1 April 2020

The following standards and interpretations are effective for the annual period beginning on or after 1 April 2020:

- Amendments to References to the Conceptual Framework in FRS Standards
- Amendments to FRS 1 Presentation of Financial Statements and FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material
- Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures: Interest Rate Benchmark Reform

25. New standards and interpretations not yet adopted

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021

25. New standards and interpretations not yet adopted (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.