

**ST. JOHN'S HOME FOR
ELDERLY PERSONS**

[UEN. S61SS0176G]
[IPC No. IPC000361]

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

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019**

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Fiducia LLP

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STATEMENT BY MANAGEMENT COMMITTEE

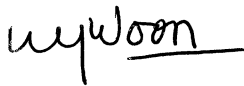
In the opinion of the Management Committee,

- a) the financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of St. John's Home for Elderly Persons (the "Home") as at 31 December 2019, and the results, changes in fund and changes in cash flows of the Home for the financial year then ended.
- b) at the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts as and when they fall due.

The Management Committee as at the date of this statement, comprising the following, authorised the issue of these financial statements on

Chairman	Woon Wee Yim
Vice-chairman	Andrew Lioe Hui Siang
Honorary Secretary	John Poopalan Kiramathypathy
Assistant Honorary Secretary	Jeyaraj Indra Raj
Honorary Treasurer	Victor Vijendran Alfreds
Committee Member	Lester Lee Keng Kok
Committee Member	David Alexander Ong Liang Bong
Committee Member	Pearl Lee Tuan Kee
Committee Member	Rachel Ong Chuan Chuan

For and on behalf of the Management Committee,



Woon Wee Yim
Chairman



Victor Vijendran Alfreds
Honorary Treasurer

Singapore, **28 APR 2020**

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Independent auditor's report to the members of:

ST. JOHN'S HOME FOR ELDERLY PERSONS

[UEN. S61SS0176G]
[IPC No. IPC000361]

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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ST. JOHN'S HOME FOR ELDERLY PERSONS** (the "Home"), which comprise the statement of financial position as at 31 December 2019, 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, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Home as at 31 December 2019, 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 *Auditor's 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 opinion.

Other Information

Management is responsible for other information. The other information comprises the Statement by Management Committee but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent auditor's report to the members of:

ST. JOHN'S HOME FOR ELDERLY PERSONS

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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,

- (a) 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
- (b) the fund-raising appeal held during the financial year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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ST. JOHN'S HOME FOR ELDERLY PERSONS

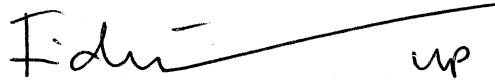
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Report on other Legal and Regulatory Requirements (Cont'd)

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

- (a) The Home has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Home has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore,

28 APR 2020

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

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

	Unrestricted Funds			Restricted Funds			Total Funds S\$
	General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$		
2019							
INCOME							
Income from generating voluntary funds	665,114	1,179,248	0	0	1,179,248	1,844,362	
Grants	2,150	575,000	0	0	575,000	577,150	
Income from provision of care services	688,358	0	0	0	0	688,358	
Other income	180,940	79,201	0	0	79,201	260,141	
	<u>1,536,562</u>	<u>1,833,449</u>	<u>0</u>	<u>0</u>	<u>1,833,449</u>	<u>3,370,011</u>	
EXPENDITURE							
Cost of generating voluntary funds	46,432	0	0	0	0	46,432	
Cost of provision of care services	1,298,422	0	96,002	0	96,002	1,394,424	
Governance and administrative costs	199,513	338,287	0	0	338,287	537,800	
	<u>1,544,367</u>	<u>338,287</u>	<u>96,002</u>	<u>0</u>	<u>434,289</u>	<u>1,978,656</u>	
NET (DEFICIT) / SURPLUS	(7,805)	1,495,162	(96,002)	0	1,399,160	1,391,355	
Gross transfer between funds	0	0	0	0	0	0	
Net movement in funds	(7,805)	1,495,162	(96,002)	0	1,399,160	1,391,355	
Accumulated funds brought forward	2,792,122	7,854,133	2,592,064	6,012,000	16,458,197	19,250,319	
Accumulated funds carried forward	<u>2,784,317</u>	<u>9,349,295</u>	<u>2,496,062</u>	<u>6,012,000</u>	<u>17,857,357</u>	<u>20,641,674</u>	

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (Cont'd)

	Note	Unrestricted Funds			Restricted Funds			Total Funds
		General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$	Total S\$	
2018								
INCOME								
Income from generating voluntary funds		687,405	3,044,975	0	0	0	3,044,975	3,732,380
Grants		271,166	0	0	0	0	0	271,166
Income from provision of care services		729,686	0	0	0	0	0	729,686
Other income		136,317	60,018	0	0	0	60,018	196,335
		<u>1,824,574</u>	<u>3,104,993</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,104,993</u>	<u>4,929,567</u>
EXPENDITURE								
Cost of generating voluntary funds		38,966	0	0	0	0	0	38,966
Cost of provision of care services		1,210,942	0	96,002	0	0	96,002	1,306,944
Governance and administrative costs		199,984	383,752	0	0	0	383,752	583,736
		<u>1,449,892</u>	<u>383,752</u>	<u>96,002</u>	<u>0</u>	<u>0</u>	<u>479,754</u>	<u>1,929,646</u>
NET SURPLUS / (DEFICIT)		374,682	2,721,241	(96,002)	0	0	2,625,239	2,999,921
Gross transfer between funds	12	(650,000)	650,000	0	0	0	650,000	0
Net movement in funds		(275,318)	3,371,241	(96,002)	0	0	3,275,239	2,999,921
Accumulated funds brought forward		3,067,440	4,482,892	2,688,066	6,012,000	6,012,000	13,182,958	16,250,398
Accumulated funds carried forward		2,792,122	7,854,133	2,592,064	6,012,000	6,012,000	16,458,197	19,250,319

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds			Restricted Funds			Total Funds
		General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$	S\$	
2019 INCOME								
Income from generating voluntary funds								
Donations								
- Tax exempt	4	451,716	1,052,418	0	0	0	1,052,418	1,504,134
- Non-tax exempt		213,398	126,830	0	0	0	126,830	340,228
		<u>665,114</u>	<u>1,179,248</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,179,248</u>	<u>1,844,362</u>
Grants								
Care and Share Grant		0	0	0	0	0	0	0
Tote Board Grants		0	575,000	0	0	0	575,000	575,000
Others		<u>2,150</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,150</u>
		<u>2,150</u>	<u>575,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>575,000</u>	<u>577,150</u>
Income from provision of care services								
Membership subscriptions		200	0	0	0	0	0	200
Residents public assistance grants		164,000	0	0	0	0	0	164,000
Residents upkeep contributions		524,158	0	0	0	0	0	524,158
		<u>688,358</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>688,358</u>
Other income								
Interest income		142,120	79,201	0	0	0	79,201	221,321
Offeritory		0	0	0	0	0	0	0
Special employment credit		37,620	0	0	0	0	0	37,620
Silver Support		<u>1,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,200</u>
		<u>180,940</u>	<u>79,201</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>79,201</u>	<u>260,141</u>
TOTAL INCOME		<u>1,536,562</u>	<u>1,833,449</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,833,449</u>	<u>3,370,011</u>
EXPENDITURES								
Cost of generating voluntary funds								
Fund raising expenses	5	9,682	0	0	0	0	0	9,682
Gala dinner expenses		<u>36,750</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,750</u>
		<u>46,432</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,432</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (Cont'd)

	Note	Unrestricted Funds			Restricted Funds			Total Funds
		General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$	S\$	
2019 EXPENDITURES (Cont'd)								
Cost of provision of care services								
Service costs								
- Cleaning		7,753	0	0	0	0	0	7,753
- Counselling services		20,972	0	0	0	0	0	20,972
- Landscape services		32,100	0	0	0	0	0	32,100
- Pest control		2,568	0	0	0	0	0	2,568
- Physiotherapist services		16,812	0	0	0	0	0	16,812
Depreciation	8	180,458	0	96,002	0	96,002	0	276,460
Donated expense		74,128	0	0	0	0	0	74,128
Employment agency fee		952	0	0	0	0	0	952
Food and provisions		108,755	0	0	0	0	0	108,755
General expenses		2,963	0	0	0	0	0	2,963
Insurance		12,193	0	0	0	0	0	12,193
Interest expenses on lease liabilities		19,704	0	0	0	0	0	19,704
License fees		112	0	0	0	0	0	112
Medical and clinical expenses		17,852	0	0	0	0	0	17,852
Membership fee		376	0	0	0	0	0	376
Repair and maintenance		63,719	0	0	0	0	0	63,719
Residents' pocket money		4,800	0	0	0	0	0	4,800
Sponsored purchases		8,940	0	0	0	0	0	8,940
Staff costs								
- CPF and SDL contribution		39,724	0	0	0	0	0	39,724
- Foreign workers' levy		73,026	0	0	0	0	0	73,026
- Salaries and annual wage supplements		508,089	0	0	0	0	0	508,089
- Staff repatriation travel		4,603	0	0	0	0	0	4,603
- Staff welfare		3,934	0	0	0	0	0	3,934
- Training		2,233	0	0	0	0	0	2,233
- Uniforms		2,995	0	0	0	0	0	2,995
Special event		2,969	0	0	0	0	0	2,969
Transportation		4,935	0	0	0	0	0	4,935
Utilities		80,757	0	0	0	0	0	80,757
		<u>1,298,422</u>	<u>0</u>	<u>96,002</u>	<u>0</u>	<u>96,002</u>	<u>0</u>	<u>1,394,424</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (Cont'd)

	Unrestricted Funds		Restricted Funds			Total Funds
	General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$	
2019						
EXPENDITURES (Cont'd)						
Governance and administrative costs						
Administrative						
- Audit fees	12,088	0	0	0	0	12,088
- Bank charges	5,024	3	0	0	3	5,027
- Printing and stationeries	13,736	0	0	0	0	13,736
- Professional fees	2,507	273,645	0	0	273,645	276,152
- Telecommunications	3,569	0	0	0	0	3,569
- Recruitment advertisement expense	196	0	0	0	0	196
Staff costs						
- CPF and SDL contribution	22,028	6,094	0	0	6,094	28,122
- Salaries and annual wage supplements	140,365	58,545	0	0	58,545	198,910
	<u>199,513</u>	<u>338,287</u>	<u>0</u>	<u>0</u>	<u>338,287</u>	<u>537,800</u>
TOTAL EXPENDITURE	1,544,367	338,287	96,002	0	434,289	1,978,656
NET (DEFICIT) / SURPLUS	(7,805)	1,495,162	(96,002)	0	1,399,160	1,391,355
Gross transfer between funds	0	0	0	0	0	0
Net movement in funds	(7,805)	1,495,162	(96,002)	0	1,399,160	1,391,355
Accumulated funds brought forward	2,792,122	7,854,133	2,592,064	6,012,000	16,458,197	19,250,319
Accumulated funds carried forward	2,784,317	9,349,295	2,496,062	6,012,000	17,857,357	20,641,674

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (Cont'd)

	Note	Unrestricted Funds			Restricted Funds			Total Funds
		General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$	S\$	
2018 INCOME								
Income from generating voluntary funds								
Donations								
- Tax exempt	4	586,083	2,756,552	0	0	0	2,756,552	3,342,635
- Non-tax exempt		101,322	288,423	0	0	0	288,423	389,745
		687,405	3,044,975	0	0	0	3,044,975	3,732,380
Grants								
Tote Board Grants		0	0	0	0	0	0	0
Care and Share Grant		271,166	0	0	0	0	0	271,166
		271,166	0	0	0	0	0	271,166
Income from provision of care services								
Membership subscriptions		620	0	0	0	0	0	620
Residents public assistance grants		166,775	0	0	0	0	0	166,775
Residents upkeep contributions		562,291	0	0	0	0	0	562,291
		729,686	0	0	0	0	0	729,686
Other income								
Interest income		108,741	60,018	0	0	0	60,018	168,759
Offeritory		4,445	0	0	0	0	0	4,445
Special employment credit		21,031	0	0	0	0	0	21,031
Silver Support		2,100	0	0	0	0	0	2,100
		136,317	60,018	0	0	0	60,018	196,335
TOTAL INCOME		1,824,574	3,104,993	0	0	0	3,104,993	4,929,567
EXPENDITURES								
Cost of generating voluntary funds								
Fund raising expenses	5	12,231	0	0	0	0	0	12,231
Gala dinner expenses		26,735	0	0	0	0	0	26,735
		38,966	0	0	0	0	0	38,966

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (Cont'd)

	Note	Unrestricted Funds			Restricted Funds			Total Funds
		General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$	S\$	
2018 EXPENDITURES (Cont'd)								
Cost of provision of care services								
Service costs								
- Cleaning		9,812	0	0	0	0	0	9,812
- Counselling services		20,116	0	0	0	0	0	20,116
- Landscape services		30,875	0	0	0	0	0	30,875
- Pest control		2,568	0	0	0	0	0	2,568
- Physiotherapist services		15,613	0	0	0	0	0	15,613
Depreciation	8	50,938	0	96,002	0	96,002	0	146,940
Donated expense		40,362	0	0	0	0	0	40,362
Employment agency fee		482	0	0	0	0	0	482
Food and provisions		108,509	0	0	0	0	0	108,509
General expenses		1,660	0	0	0	0	0	1,660
Insurance		7,459	0	0	0	0	0	7,459
License fees		100	0	0	0	0	0	100
Medical and clinical expenses		14,264	0	0	0	0	0	14,264
Repair and maintenance		53,000	0	0	0	0	0	53,000
Residents' pocket money		5,400	0	0	0	0	0	5,400
Sponsored purchases		3,858	0	0	0	0	0	3,858
Staff costs								
- CPF and SDL contribution		40,160	0	0	0	0	0	40,160
- Foreign workers' levy		75,780	0	0	0	0	0	75,780
- Salaries and annual wage supplements		474,040	0	0	0	0	0	474,040
- Staff repatriation travel		2,010	0	0	0	0	0	2,010
- Staff welfare		3,204	0	0	0	0	0	3,204
- Training		516	0	0	0	0	0	516
- Uniforms		300	0	0	0	0	0	300
Special event		4,470	0	0	0	0	0	4,470
Transportation		4,505	0	0	0	0	0	4,505
Tenancy rental		162,060	0	0	0	0	0	162,060
Utilities		78,881	0	0	0	0	0	78,881
		<u>1,210,942</u>	<u>0</u>	<u>96,002</u>	<u>0</u>	<u>96,002</u>	<u>0</u>	<u>1,306,944</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (Cont'd)

	Note	Unrestricted Funds			Restricted Funds			Total Funds
		General Fund S\$	Building Fund S\$	Building and Lease Fund S\$	Endowment Fund S\$	Total S\$		
2018								
EXPENDITURES (Cont'd)								
Governance and administrative costs								
Administrative								
- Audit fees		12,441	0	0	0	0	12,441	
- Bank charges		8,759	0	0	0	0	8,759	
- Printing and stationeries		10,273	0	0	0	0	10,273	
- Professional fees		7,953	368,295	0	0	368,295	376,248	
- Telecommunications		1,625	0	0	0	0	1,625	
- Property, plant and equipment written off		159	0	0	0	0	159	
Staff costs								
- CPF and SDL contribution		20,683	1,807	0	0	1,807	22,490	
- Salaries and annual wage supplements		138,091	13,650	0	0	13,650	151,741	
		<u>199,984</u>	<u>383,752</u>	<u>0</u>	<u>0</u>	<u>383,752</u>	<u>583,736</u>	
TOTAL EXPENDITURE		1,449,892	383,752	96,002	0	479,754	1,929,646	
NET SURPLUS / (DEFICIT)		374,682	2,721,241	(96,002)	0	2,625,239	2,999,921	
Gross transfer between funds	12	(650,000)	650,000	0	0	650,000	0	
Net movement in funds		(275,318)	3,371,241	(96,002)	0	3,275,239	2,999,921	
Accumulated funds brought forward		3,067,440	4,482,892	2,688,066	6,012,000	13,182,958	16,250,398	
Accumulated funds carried forward		2,792,122	7,854,133	2,592,064	6,012,000	16,458,197	19,250,319	

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	13,011,531	16,352,821
Other receivables	7	222,270	312,319
		<u>13,233,801</u>	<u>16,665,140</u>
Non-current asset			
Property, plant and equipment	8	<u>8,731,118</u>	<u>2,777,321</u>
Total assets		<u>21,964,919</u>	<u>19,442,461</u>
LIABILITY			
Current liabilities			
Other payables and accruals	10	1,012,685	192,142
Borrowings	11	151,214	0
		<u>1,163,899</u>	<u>192,142</u>
Non-current liabilities			
Borrowings	11	<u>159,346</u>	<u>0</u>
Total liabilities		<u>1,323,245</u>	<u>192,142</u>
NET ASSETS		<u>20,641,674</u>	<u>19,250,319</u>
FUNDS			
Unrestricted fund			
- General fund	12	<u>2,784,317</u>	<u>2,792,122</u>
Restricted funds			
- Building fund (current development)	13	9,349,295	7,854,133
- Building and land lease	13	2,496,062	2,592,064
- Endowment fund	13	6,012,000	6,012,000
		<u>17,857,357</u>	<u>16,458,197</u>
TOTAL FUNDS		<u>20,641,674</u>	<u>19,250,319</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Balance at beginning of financial year S\$	(Deficit) / surplus S\$	Transfers of funds S\$	Balance at end of financial year S\$
2019				
Unrestricted fund				
General fund	2,792,122	(7,805)	0	2,784,317
Restricted funds				
Building fund	7,854,133	1,495,162	0	9,349,295
Building and lease fund	2,592,064	(96,002)	0	2,496,062
Endowment fund	6,012,000	0	0	6,012,000
Total	16,458,197	1,399,160	0	17,857,357
Total funds	19,250,319	1,391,355	0	20,641,674
	Balance at beginning of financial year S\$	Surplus / (deficit) S\$	Transfers of funds S\$	Balance at end of financial year S\$
2018				
Unrestricted fund				
General fund	3,067,440	374,682	(650,000)	2,792,122
Restricted funds				
Building fund	4,482,892	2,721,241	650,000	7,854,133
Building and lease fund	2,688,066	(96,002)	0	2,592,064
Endowment fund	6,012,000	0	0	6,012,000
Total	13,182,958	2,625,239	650,000	16,458,197
Total funds	16,250,398	2,999,921	0	19,250,319

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net surplus		1,391,355	2,999,921
Adjustments for:			
- Depreciation of property, plant and equipment	8	276,460	146,940
- Interest expenses on lease liabilities		19,704	0
- Interest income		(221,321)	(168,759)
Operating cash flow before changes in working capital		1,466,198	2,978,102
Changes in working capital:			
- Other receivables		63,027	(168,252)
- Other payables and accruals		(2,721)	24,142
Net cash flows from operations		1,526,504	2,833,992
Interest received		1,443	2,337
Net cash generated from operating activities		1,527,947	2,836,329
Cash flows from investing activities			
Fixed deposits pledge for credit card facilities		(50,000)	0
Interest received		246,900	138,545
Purchases of property, plant and equipment	8	(4,952,937)	(79,056)
Net cash (used in)/ generated from investing activities		(4,756,037)	59,489
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(143,496)	0
Interest paid		(19,704)	0
Net cash used in financing activities		(163,200)	0
Net (decrease)/ increase in cash and cash equivalents		(3,391,290)	2,895,818
Cash and cash equivalents at beginning of financial year		16,352,821	13,457,003
Cash and cash equivalents at end of financial year	6	12,961,531	16,352,821
Cash and cash equivalents comprise:			
Cash on hand		2,560,031	3,337,117
Cash at bank		1,500	1,500
Fixed deposits		10,450,000	13,014,204
		13,011,531	16,352,821
Less: Fixed deposits pledge for credit card facilities		(50,000)	0
		12,961,531	16,352,821

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

1. General information

St. John's Home for Elderly Persons (the "Home") is established in the Republic of Singapore and is registered with the Registrar of Societies, Singapore under the Societies Act, Chapter 311 on 18 October 1961. The Home's registered address is located at 69 Wan Tho Avenue, Sennett Estate, Singapore 347601.

The objective of the Home is to provide shelter and to care for the physical and spiritual needs of such elderly persons as have no home or suitable accommodation and no children or close relatives who have adequate facilities for looking after them. The Home is open to all regardless of race or creed.

The Home is a charity registered under the Charities Act, Chapter 37 since 12 March 1988. The Home is granted Institution of a Public Character ('IPC') status for the period from 01 April 2018 to 31 March 2022.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs"). The Home is also subject to the provision of the Societies Act and Charities Act. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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.

Interpretations and amendments to published standards effective in 2019

On 01 January 2019, the Home adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Home's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

Except for the adoption of FRS 116 Leases, the adoption of these new or amended FRS and INT FRS 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.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Adoption of FRS 116 Leases

When the Home is the lessee

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Home's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.13.

Standards and issued but not yet effective

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

Descriptions	Annual periods commencing on
Amendments to: <ul style="list-style-type: none">- References to the Conceptual Framework in FRS Standards- FRS 103 : Definition of a Business- FRS 1 and FRS 8: Definition of Material- FRS 109, FRS 39 and FRS 107: Interest Rate Benchmark Reform	1 January 2020
FRS 117 Insurance Contracts	1 January 2021
Amendments to: <ul style="list-style-type: none">- FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

2.2 Income recognition

Income is measured based on the consideration to which the Home expects to be entitled in exchange for transferring promised service 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 service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

2.2.1 Donations

Donations, income from charitable activities and all income except as listed below, are recognised on receipt. In the case of donations received through Giving.sg, donations committed as at 31 December 2019 are recognised as donations received. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Rendering of services – Resident upkeep fee

Revenue from services is recognised over the period in which the services are rendered, in accordance with the relevant agreement.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.3 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.2.4 Other income

Other income is recognised when incurred.

2.3 Government grant

Grants from the Government 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, relating to costs are deferred and recognised in statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

2.4 Expenditure recognition

All expenditures 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 generating funds

Cost of generating funds consists of costs of generating voluntary income, costs that are directly attributable to the fund-raising activities and are separated from those costs incurred in undertaking charitable activities.

2.4.2 Cost of provision of care services

Cost of provision of care services comprises all costs incurred in the pursuit of the charitable objects of the Home. The total costs of provision of care services are apportionment of overhead and shared costs.

2.4.3 Governance and administrative costs

Governance and administrative 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 Employee compensation

2.5.1 Defined contribution plans

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

2.5.2 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 reporting date.

2. Significant accounting policies (Cont'd)

2.6 Financial assets

The Home classifies its financial assets into the measurement category of amortised cost.

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.

At subsequent measurement

Debt instruments of the Home mainly comprise of cash and cash equivalents 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 assets. The Home managed these groups of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt 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.

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

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

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with financial institutions that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in values.

2. Significant accounting policies (Cont'd)

2.8 Property, plant and equipment

2.8.1 Measurement

All items of 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 costs that are 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.

2.8.2 Depreciation

Depreciation of property, plant and equipment is computed on a straight-line basis over their estimated useful lives of the assets as follows:

	Useful life
Equipment	5 years
Furniture and fittings	5 years
Leasehold land and building	30 years
Motor vehicle	10 years
Renovation	10 years
Right-of-use asset - Premises	3 years

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 for the financial year in which the changes arise.

2.8.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have 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 Home and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognised in the statement of financial activities when incurred.

2.8.4 Disposal

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

2.9 Impairment of non-financial assets

Property, plant and equipment, right-of-use 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 CGU to which the asset belongs.

2. Significant accounting policies (Cont'd)

2.9 Impairment of non-financial assets (Cont'd)

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

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

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

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

2.10 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 accruals" and "Borrowings".

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

2.11 Other payable and accruals

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.

2.12 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of financial activities in the period in which they are incurred.

2. Significant accounting policies (Cont'd)

2.13 Leases

- (a) The accounting policy are applied before the initial application date of FRS116, 1 January 2019:

When the Home is the lessee:

The Home leases office unit under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessors) are recognised in the statement of financial activities on a straight-line basis over the period of the lease.

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

- (b) The accounting policy are applied on and after the initial application date of FRS116, 1 January 2019:

When the Home is the lessee:

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

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

- Right-of-use assets

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

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

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

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

2. Significant accounting policies (Cont'd)

2.13 Leases (Cont'd)

- (b) The accounting policy are applied on and after the initial application date of FRS116, 1 January 2019 are as follows: (Cont'd)

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

- Lease liabilities (Cont'd)

Lease payments include the following:

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

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 these 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 changes in the Home's assessment of whether it will exercise an extension option; or
- There is 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 statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Home's lease liabilities are disclosed in Note 11.

- 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 payments.

2. Significant accounting policies (Cont'd)

2.14 Provisions for other liabilities and charges

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

2.15 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.

2.16 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.

2.17 Events 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.

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 are 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 year.

Critical judgements in applying the entity's accounting policies

The critical judgements in applying the entity's accounting policies 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 year, are discussed below.

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. The Home does not receive any Government grant for operating expenses, other than Care and Share and Employment credits.

4. Tax deductible receipts

During the financial year, the Home issued tax-exempt receipts for donations collected amounting to S\$1,504,134 (2018: S\$3,342,635) pursuant to its Institution of a Public Character ("IPC") status. They are recorded as follows:

	2019 S\$	2018 S\$
<u>Statement of financial activities</u>		
General fund		
• Donations	<u>451,716</u>	<u>586,083</u>
Building fund		
• Donations	631,238	2,500,952
• Fund raising : GALA dinner	5 <u>421,180</u>	<u>255,600</u>
	<u>1,052,418</u>	<u>2,756,552</u>
Total	<u>1,504,134</u>	<u>3,342,635</u>

5. Fund raising events

	Note	2019 S\$	2018 S\$
<i>Income from fund-raising event:</i>			
Donations - Tax exempt	4	421,180	255,600
Donations - Non tax exempt		25,704	21,592
Donate as you wish		<u>7,028</u>	<u>0</u>
		<u>453,912</u>	<u>277,192</u>
<i>Costs of fund raising expenses:</i>			
Gala dinner food & provisions		26,359	19,859
Gala dinner general expense		7,866	6,187
Gala dinner printing & stationery		<u>2,525</u>	<u>689</u>
		<u>36,750</u>	<u>26,735</u>
Net proceeds		<u>417,162</u>	<u>250,457</u>
Percentage of fund raising expenses over income from fund raising event		<u>8%</u>	<u>10%</u>

6. Cash and cash equivalents

	2019 S\$	2018 S\$
Cash on hand	1,500	1,500
Cash at bank	2,560,031	3,337,117
Fixed deposits	<u>10,450,000</u>	<u>13,014,204</u>
	<u>13,011,531</u>	<u>16,352,821</u>

Cash at bank earns interest at bank deposit rates.

Fixed deposits are with interest from 0.25% to 1.80% (2018: 1% to 1.80%) per annum. Interest earned but not yet received as at reporting date is recognised under other receivables as shown in Note 7. The principal and interest will be rolled forward for the same tenor until further instructions from the Home.

6. Cash and cash equivalents (Cont'd)

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

	2019 S\$	2018 S\$
Cash on hand	2,560,031	3,337,117
Cash at bank	1,500	1,500
Fixed deposits	<u>10,450,000</u>	<u>13,014,204</u>
	13,011,531	16,352,821
Less: Fixed deposits pledge for credit card facilities	<u>(50,000)</u>	<u>0</u>
	<u>12,961,531</u>	<u>16,352,821</u>

As at the end of the reporting date, the tenures of the fixed deposits are as follows:

	2019 S\$	2018 S\$
Within 1 year	<u>10,450,000</u>	<u>13,014,204</u>

The fixed deposits may be uplifted by the Home prior to maturity date if necessary.

Cash and cash equivalents are attributable to:

		2019 S\$	2018 S\$
- General fund		2,675,666	2,648,271
- Building fund	13	4,323,865	7,692,550
- Endowment fund	13	<u>6,012,000</u>	<u>6,012,000</u>
		<u>13,011,531</u>	<u>16,352,821</u>

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

7. Other receivables

	2019 S\$	2018 S\$
Deposits	44,020	46,940
Donations receivable	33,206	176,935
Interest receivable	15,222	42,244
Residents upkeep fees	22,124	23,024
Prepayments	3,495	6,699
Others receivable	<u>104,203</u>	<u>16,477</u>
	<u>222,270</u>	<u>312,319</u>

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

8. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	(Written off) S\$	Balance at end of year S\$
2019				
At cost				
Equipment	503,092	3,745	(11,986)	494,851
Furniture and fittings	202,282	0	(990)	201,292
Leasehold land and building	2,880,070	0	0	2,880,070
Motor vehicles	66,372	0	0	66,372
Renovation	1,098,728	0	0	1,098,728
Right-of-use asset	0	454,056	0	454,056
Capital work in progress	82,527	5,772,456	0	5,854,983
	<u>4,833,071</u>	<u>6,230,257</u>	<u>(12,976)</u>	<u>11,050,352</u>
Accumulated depreciation				
	Balance at beginning of year S\$	Depreciation charge S\$	(Written off) S\$	Balance at end of Year S\$
Equipment	400,362	29,106	(11,986)	417,482
Furniture and fittings	202,282	0	(990)	201,292
Leasehold land and building	288,006	96,002	0	384,008
Motor vehicles	66,372	0	0	66,372
Renovation	1,098,728	0	0	1,098,728
Right-of-use asset	0	151,352	0	151,352
Capital work in progress	0	0	0	0
	<u>2,055,750</u>	<u>276,460</u>	<u>(12,976)</u>	<u>2,319,234</u>
Carrying amount				
	Balance at beginning of year S\$			Balance at end of Year S\$
Equipment	102,730			77,369
Furniture and fittings	0			0
Leasehold land and building	2,592,064			2,496,062
Motor vehicles	0			0
Renovation	0			0
Right-of-use asset	0			302,704
Capital work in progress	82,527			5,854,983
	<u>2,777,321</u>			<u>8,731,118</u>

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

	Balance at beginning of year S\$	Additions S\$	(Disposals)/ (Written off) S\$	Balance at end of year S\$
2018				
At cost				
Equipment	426,108	79,056	(2,072)	503,092
Furniture and fittings	212,441	0	(10,159)	202,282
Leasehold land and building	2,880,070	0	0	2,880,070
Motor vehicles	66,372	0	0	66,372
Renovation	1,098,728	0	0	1,098,728
Capital work in progress	0	82,527	0	82,527
	<u>4,683,719</u>	<u>161,583</u>	<u>(12,231)</u>	<u>4,833,071</u>
Accumulated depreciation				
	Balance at beginning of year S\$	Depreciation charge S\$	(Disposals)/ (Written off) S\$	Balance at end of Year S\$
Equipment	382,312	20,122	(2,072)	400,362
Furniture and fittings	212,441	0	(10,159)	202,282
Leasehold land and building	192,004	96,002	0	288,006
Motor vehicles	66,372	0	0	66,372
Renovation	1,067,912	30,816	0	1,098,728
Capital work in progress	0	0	0	0
	<u>1,921,041</u>	<u>146,940</u>	<u>(12,231)</u>	<u>2,055,750</u>
Carrying amount				
	Balance at beginning of year S\$			Balance at end of Year S\$
Equipment	43,796			102,730
Furniture and fittings	0			0
Leasehold land and building	2,688,066			2,592,064
Motor vehicles	0			0
Renovation	30,816			0
Capital work in progress	0			82,527
	<u>2,762,678</u>			<u>2,777,321</u>

The property located at 69 Wan Tho Avenue, Sennett Estate, Singapore 347601, with an area of 12,293.8 square meters, has been held in trust by the Board of Trustees since 1955. The 30 year lease from 1 January 1986 expired on 31 December 2015.

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

On 18 November 2015,

- o after months of discussion, the Trustees, authorised by the Management Committee, accepted the offer from the Singapore Land Authority for a fresh 30 year lease for 3,300 square meters of the current site, at a premium of S\$2,880,070, paid on 14 December 2015. A five storey building is being built at an initial estimated construction cost of s\$15.4 million.
- o the Trustees, authorised by the Management Committee, accepted the offer of the Singapore Land Authority for a lease of 3 years, with an option for a further 3 years, on the land and buildings on the remaining 8,923.7 square meters of the current premises for a rental of S\$162,060 per annum. This allows the Home time to consolidate its activities onto the reduced site.
- o The Home exercised the option for a lease of further three years from 01 January 2019 for a rental of S\$163,200 per annum.

During the financial year, the constructions costs has increased by S\$140,802 (inclusive of GST) from S\$15.4 million to S\$15.6million to include the variation order for additional hydro pool at level 2 and upgrading of glazing specification.

Capital work in progress represents construction costs in progress as at the reporting date for the new S\$16.4 million (inclusive of GST, Government fees, and fees to consultants) five storey building at 69 Wan Tho Avenue, Sennett Estate, Singapore 347601. Capital work in progress included in property, plant and equipment is not depreciated as the construction of the building has yet to be completed and available for use. Capital work in progress amounting to S\$5,854,983 of which S\$905,791 has not been paid and is included in other payables as at 31 December 2019.

During the financial year, the Home acquired property, plant and equipment and right-of-use assets with an aggregate cost of S\$6,230,257 (2018: S\$161,583), of which S\$454,056 related to right-of-use assets. Cash payments of S\$4,952,937 (2018: S\$79,056) were made to purchase property, plant and equipment.

9. Leases – The Home as a lessee

Nature of the Home's leasing activities

Premises

The Home leases premises for the purpose of Home operation.

- (a) Carrying amount

Right-of-use ("ROU") assets classified within Property, plant and equipment

	31.12.2019 S\$	01.01.2019 S\$
Premises	<u>302,704</u>	<u>0</u>

9. Leases – The Home as a lessee (Cont'd)

(b)	Depreciation charged during the financial year	2019 S\$
	Premises	151,352
(c)	Interest expense on lease liabilities	2019 S\$
	Premises	19,704
(d)	Total cash outflow for all the leases in 2019 was \$163,200.	

10. Other payables and accruals

	2019 S\$	2018 S\$
Other payable on capital work in progress	905,791	82,527
Accounts payables and accruals	63,826	70,647
Refundable upkeep deposit	36,150	35,640
Contract liabilities	6,918	3,328
	1,012,685	192,142

Contract liabilities relates to the Home's obligation to render services to customers for the advance from residents. Contract liabilities is recognised as revenue when the services are rendered to the residents.

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

11. Borrowings

	2019 S\$	2018 S\$
Lease liabilities		
Current	151,214	0
Non-current	159,346	0
	310,560	0

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

	01.01.2019 S\$	Additions S\$	Cash flows S\$	Non-cash changes		31.12.2019 S\$
				Accretion of interests S\$	Other S\$	
Liabilities						
Lease liabilities						
- current	0	143,496	(163,200)	19,704	151,214	151,214
- non-current	0	310,560	0	0	(151,214)	159,346
	0	454,056	(163,200)	19,704	0	310,560

12. Unrestricted fund

General fund

General fund is available for use at the discretion of the Management Committee in furtherance of the Home's objective.

In 2018,

- Included in the general fund was an amount of S\$271,166 received from Care and Share fund to cover the costs of meeting the critical existing needs of the Home.
- the Home transferred the balance of general fund above S\$3,000,000 totalling S\$650,000 to the building fund in accordance to the Reserve Policy of the Home.

13. Restricted funds

Restricted funds comprised:

Building fund (current development)

The Building Fund was setup in 2013 for the purpose of erecting a new building on 3,300 sq.m of land leased for 30 years. The construction was successfully tendered out at S\$15.4 million including GST. Another S\$969,139 is for consultants fees and fees to Government. The ground breaking ceremony was held on 1 September 2018, and construction is continued in progress. The new building is expected to open in late 2020.

During the financial year, the constructions costs has increased by S\$140,802 (inclusive of GST) from S\$15.4 million to S\$15.6million to include the variation order for additional hydro pool at level 2 and upgrading of glazing specification.

During the financial year, Home received grant from Tote Board amounting to S\$575,000 for the building fund.

Building and lease fund

The building and lease fund was established in 2017 to reflect the net book value of the cost of the land. \$2,880,070 was paid to the Commissioner of Lands SLA as prepayment on 14 December 2015 for the 30 year lease beginning on 1 January 2016 for 3,300 square meter of the land, on which the new five storey building is being constructed.

Net assets of the Building fund and Building and lease fund are as follows:

	Note	2019 S\$	2018 S\$
Building fund and Building and lease fund		<u>11,845,357</u>	<u>10,446,197</u>
Represented by:			
Cash and cash equivalents	6	4,323,865	7,692,550
Property, plant and equipment		8,351,045	2,674,591
Accounts receivable		62,827	0
Donations receivable		12,024	133,955
Interest receivable		1,387	27,628
Other payables		<u>(905,791)</u>	<u>(82,527)</u>
		<u>11,845,357</u>	<u>10,446,197</u>

13. Restricted funds (Cont'd)

Endowment fund

The endowment fund was established in 2017 as a long-term source of the Home's funds. No capital of the Endowment Fund shall be expended without the approval of the Court. Amounts in excess of capital earned (which for the avoidance of doubt shall include net income, dividends, interest, accumulated surplus and capital gains) shall be applied by the Management Committee for the purposes as set out in Clause 3 of the Constitution.

Net assets of the Endowment fund are as follows:

	2019 S\$	2018 S\$
Endowment fund	<u>6,012,000</u>	<u>6,012,000</u>
Represented by:		
Cash and cash equivalents	<u>6,012,000</u>	<u>6,012,000</u>

14. Income tax

The Home is a charity registered under the Charities Act. Consequently, the income of the Home is exempt from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

15. Related party transactions

The Home had no significant transactions with related parties during the financial year (2018: nil).

The Management Committee members did not receive any remuneration from the Home during the financial year (2018: nil).

There are no paid staffs who are close members of the Executive Head or Board Members during the financial year.

16. Key management personnel compensation

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

	2019 No. of key management personnel	2018 No. of key management personnel
Remuneration band		
S\$50,001 to S\$100,000	4	3
Below S\$50,000	<u>0</u>	<u>1</u>

The remuneration of the Executive Head did not exceed \$100,000.

The Management Committee is of the opinion that the Home's General Manager, the Accounts cum Administration Executive, the Community Partnership/Fund Raising Manager and Operations Manager are key personnel of the Home. The remuneration of key management personnel is determined by the Management Committee.

17. Commitments

(a) Capital commitments

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

	2019 S\$	2018 S\$
New 5 storey building (inclusive of consultant and government fees)	9,874,422	16,256,874
New beds and physiotherapy equipment	<u>530,000</u>	<u>766,000</u>
	<u>10,404,422</u>	<u>17,022,874</u>

(b) Operating lease commitments – as lessee

At the reporting date, the Home has commitments for future minimum lease payments under operating leases:

	2019 S\$	2018 S\$
Not later than one year	0	163,200
Later than one year but not later than five years	<u>0</u>	<u>326,400</u>
	<u>0</u>	<u>489,600</u>

As disclosed in Note 2.1, the Home has adopted FRS 116 Leases on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial positions as at 31 December 2019.

18. Management of conflict of interest

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

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. Governance

A. Board and executive management

Honorary Treasurer of the Home has the maximum term limit of four consecutive years or less. The current Honorary Treasurer of the Home was appointed in May 2017.

B. Financial management and internal control

The Management Committee ensures that the internal control systems are in place with documented standard operating procedures for the key areas of financial matters such as procurement, payment and receipting. To ensure that the internal control systems are adequate and performed effectively, reviews are conducted during the financial year by the Management Committee and an independent internal auditor appointed by the Home to review its internal control systems and operations management.

The Home does not make any loans nor any donations to any external party.

C. Conduct of fund raising activities

The Home held various fund raising activities during the financial year. The major fund raising activities are as follows:

- a. The Gala Dinner held on 24 August 2019;
- b. "Donate a room" and "Naming Rights" approaches to several corporates and individuals;
- c. Appeal letters sent to donors once a year. In 2019, the appeal letters were sent out in November;
- d. Use of our webpage to create awareness of our Home's cause and our needs. We have online donation campaigns via our own websites;
- e. Subscription to the Giving.sg, Give.asia and Simply Giving donation portals; and
- f. Organisations that chose us as beneficiary of their own fund raising campaign, such as Charity Golf and other similar events. A number of them come to know us from our webpage publicity.

	2019	2018
	S\$	S\$
Total Gross receipts	1,844,362	3,732,380
Total expenses	46,432	38,966
Fund raising efficiency ratio	<u>3%</u>	<u>1%</u>

The Home has not used and does not use any commercial fundraiser.

19. Reserve position and policy

The Home's reserve position (excluding non-current assets) for the financial year 31 December 2019 is as follows:

	2019	2018	Increase (Decrease)	Percentage of Increase (Decrease)
	S\$'000	S\$'000	S\$'000	%
A Unrestricted Funds				
Accumulated General funds	2,784	2,792	(8)	(0%)
B Building Funds	9,350	7,854	1,496	19%
C Building and Lease Funds	2,496	2,592	(96)	(4%)
D Endowment Funds	6,012	6,012	0	0%
E Total Funds	20,642	19,250	1,392	7%
F Total Annual Operating Expenditure	1,979	1,930	49	3%
G Ratio of Funds to Annual Operating Expenditure (A/F)	1.41	1.45		

Reference:

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

The Home's Reserve Policy is as follows:

- (a) The Home intends to follow the guidelines in the Code of Governance for the Charities and IPCs.
- (b) Funds in the Reserve are to provide for financial stability and the means for the development of our principal activity.
- (c) Should these funds be required for the construction of the new building, they may be drawn down.
- (d) Once the building has been paid for, the Home intends to build up its Reserve to a level which is equivalent to two years of operating expenditure, excluding depreciation. Annual operating surpluses will be transferred to the Reserve.
- (e) Once the Reserve has two years of operating expenditures, operating surpluses will be transferred to a Sinking Fund, to be used for:
 - (i) cyclical maintenance and renovations of the building occupied by the Home;
 - (ii) renewal in 2045 of the land lease.

20. Financial instruments

The financial assets and liabilities of the Home as at the end of financial year are as follows:

	2019 S\$	2018 S\$
Financial assets at amortised cost		
Loan and receivables:		
Cash and cash equivalents	13,011,531	16,352,821
Other receivables (excluding prepayment)	<u>218,775</u>	<u>305,620</u>
	<u>13,230,306</u>	<u>16,658,441</u>
Financial Liabilities at amortised cost		
Accrual and other payables (excluding contract liabilities)	1,005,767	188,814
Borrowings	<u>310,560</u>	<u>0</u>
	<u>1,316,327</u>	<u>188,814</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 of the Home on an informal basis.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, resulting in financial loss to the Home.

The Home adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Home mitigate its credit risk by transacting only with counterparties who are rated "A" and above by independent rating agencies.

There is no significant concentration of credit risk, whether through exposure to specific industry sectors and/or regions.

There are no credit loss allowance for other financial assets at amortised cost as at 31 December 2019 and 31 December 2018.

Liquidity risk

The Home manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the Management Committee to fund the Home's operations and to mitigate the effects of fluctuations in short-term cash flows.

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2019			
Financial liabilities, at amortised cost			
Other payables and accruals	1,005,767	0	1,005,767
Borrowings	<u>163,200</u>	<u>163,200</u>	<u>326,400</u>
	<u>1,168,967</u>	<u>163,200</u>	<u>1,332,167</u>

21. Financial risk management (Cont'd)

Liquidity risk (Cont'd)

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2018 Financial liabilities, at amortised cost			
Other payables and accruals	<u>188,814</u>	<u>0</u>	<u>188,814</u>

Interest rate risk

The Home is exposed to interest rate risk on its bank deposits. The Home periodically reviews and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

The bank deposits are mainly denominated in Singapore Dollar. At 31 December 2019, if the Singapore Dollar interest rates had increased/decreased by 1% (2018: 1%) with all other variables including tax rate being held constant, the surplus for the year would have been lower/higher by S\$104,500 (2018: S\$130,100) as a result of higher/lower interest income on these bank deposits.

22. Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Home approximate their fair values.

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

23. Comparative figures

Certain comparatives have been reclassified and represented. The following reflects the net changes as a result of restatement:

	As previously stated S\$	Adjustments S\$	As restated S\$
2018 Statement of financial activities			
General funds			
Donations – Tax exempt	585,963	120	586,083
Donations – Non-tax exempt	<u>101,442</u>	<u>(120)</u>	<u>101,322</u>

24. Authorisation of financial statements

These financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Management Committee of the Home on

28 APR 2020