

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 YEAR ENDED 31 DECEMBER 2016

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Fiducia LLP

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Public Accountants and

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71 Ubi Crescent,
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STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements as set out on pages 7 to 31 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 2016, and the results, changes in fund and changes in cash flows of the Home for the financial year then ended.

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

The Management Committee 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	Victor Vijendran Alfreds
Honorary Treasurer	Warren Consigliere
Committee Member	Lester Lee Keng Kok
Committee Member	David Alexander Ong Liang Bong (JP, PBM)
Committee Member	Jeyaraj Indra Raj (Appointed on 26 September 2016)
Committee Member	Tan Willie (Appointed on 29 November 2016)

For and on behalf of the Management Committee,



Woon Wee Yim
Chairman



Warren Consigliere
Honorary Treasurer

Singapore, 11 APR 2017

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Independent auditor's report to the members of:

ST. JOHN'S HOME FOR ELDERLY PERSONS

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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ST. JOHN'S HOME FOR ELDERLY PERSONS** (the "Home"), which comprise the statement of financial position as at 31 December 2016, 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 2016, 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 set out on page 2 but does not include the financial statements and our auditor's report thereon.

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

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

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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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Independent auditor's report to the members of:

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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, **11 APR 2017**

Partner-in-charge: Lee Choon Keat

PAB. No.: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Unrestricted Fund	Restricted Fund	
	General Fund S\$	Building Fund S\$	Total Funds S\$
2016			
INCOME			
Income from generating voluntary funds	549,715	541,683	1,091,398
Grants	49,588	0	49,588
Income from provision of care services	790,961	0	790,961
Other income	64,327	7,070	71,397
	<u>1,454,591</u>	<u>548,753</u>	<u>2,003,344</u>
EXPENDITURES			
Cost of generating voluntary funds	54,709	0	54,709
Cost of provision of care services	1,174,111	183,124	1,357,235
Governance and administrative costs	146,564	0	146,564
	<u>1,375,384</u>	<u>183,124</u>	<u>1,558,508</u>
NET SURPLUS	79,207	365,629	444,836
Transfer (from)/ to for Care and Share Grant	0	0	0
Total	<u>79,207</u>	<u>365,629</u>	<u>444,836</u>
Accumulated funds brought forward	<u>2,917,807</u>	<u>3,535,942</u>	<u>6,453,749</u>
Accumulated funds carried forward	<u>2,997,014</u>	<u>3,901,571</u>	<u>6,898,585</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Unrestricted Fund	Restricted Fund	
	General Fund	Building	Total Funds
	S\$	Fund	S\$
	S\$	S\$	S\$
2015			
INCOME			
Income from generating voluntary funds	812,769	600,234	1,413,003
Grants	0	1,815,846	1,815,846
Income from provision of care services	720,074	0	720,074
Other income	52,836	2,263	55,099
	<u>1,585,679</u>	<u>2,418,343</u>	<u>4,004,022</u>
EXPENDITURES			
Cost of generating voluntary funds	41,038	0	41,038
Cost of provision of care services	993,668	85,000	1,078,668
Governance and administrative costs	160,394	0	160,394
	<u>1,195,100</u>	<u>85,000</u>	<u>1,280,100</u>
NET SURPLUS	390,579	2,333,343	2,723,922
Transfer (from)/ to for Care and Share Grant	(41,831)	41,831	0
Total	<u>348,748</u>	<u>2,375,174</u>	<u>2,723,922</u>
Accumulated funds brought forward	<u>2,569,059</u>	<u>1,160,768</u>	<u>3,729,827</u>
Accumulated funds carried forward	<u>2,917,807</u>	<u>3,535,942</u>	<u>6,453,749</u>

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

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2016**

		Unrestricted Fund	Restricted Fund	
		General Fund	Building Fund	Total Funds
	Note	S\$	S\$	S\$
2016				
INCOME				
<i>Income from generating voluntary funds</i>				
Donations				
- Tax exempt	4	305,717	510,863	816,580
- Non-tax exempt		243,998	30,820	274,818
		<u>549,715</u>	<u>541,683</u>	<u>1,091,398</u>
<i>Grants</i>				
Potong Pasir CCC Active Aging Fund		1,500	0	1,500
Tote Board Grants		48,088	0	48,088
		<u>49,588</u>	<u>0</u>	<u>49,588</u>
<i>Income from provision of care services</i>				
Membership subscriptions		420	0	420
Residents public assistance grants		186,350	0	186,350
Residents upkeep contributions		604,191	0	604,191
		<u>790,961</u>	<u>0</u>	<u>790,961</u>
<i>Other income</i>				
Interest income		24,578	7,070	31,648
Offertory		4,737	0	4,737
Reimbursement		1,000	0	1,000
Sales of Toscano Wallet		1,330	0	1,330
Special employment credit		32,682	0	32,682
		<u>64,327</u>	<u>7,070</u>	<u>71,397</u>
		<u>1,454,591</u>	<u>548,753</u>	<u>2,003,344</u>
EXPENDITURES				
<i>Cost of generating voluntary funds</i>				
Fund raising expenses		54,709	0	54,709
<i>Cost of provision of care services</i>				
Architecture expenses		0	84,749	84,749
Celebrating Ageing		2,186	0	2,186
Cleaning		9,369	0	9,369
Counselling services		21,186	0	21,186
Depreciation of property, plant and equipment		46,224	96,002	142,226
Donated expense		65,982	0	65,982
Employment agency fee		395	0	395
Food and provisions		107,673	0	107,673
General expenses		3,294	0	3,294
Insurance		11,483	0	11,483
Landscape services		28,150	0	28,150
License fees		100	0	100
Medical and clinical expenses		17,674	0	17,674
Membership fee		375	0	375
Pest control		7,811	0	7,811
Physiotherapist services		28,013	0	28,013

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2016 (CONT'D)**

	Unrestricted Fund General Fund	Restricted Fund Building Fund	Total Funds
	S\$	S\$	S\$
2016			
<i>Cost of provision of care services (Cont'd)</i>			
Repair and maintenance	50,494	2,373	52,867
Residents' pocket money	7,300	0	7,300
Sponsored purchases	11,234	0	11,234
Staff costs			
- CPF and SDL contribution	34,239	0	34,239
- Foreign workers' levy	73,523	0	73,523
- Salaries and annual wage supplements	381,412	0	381,412
- Staff repatriation travel	1,255	0	1,255
- Staff welfare	2,300	0	2,300
- Training	267	0	267
- Uniforms	1,259	0	1,259
Special event	1,091	0	1,091
Transportation	4,526	0	4,526
Tenancy rental	162,260	0	162,260
Utilities	93,036	0	93,036
	<u>1,174,111</u>	<u>183,124</u>	<u>1,357,235</u>
<i>Governance and administrative costs</i>			
Administrative			
- Audit fees	6,420	0	6,420
- Bank charges	2,462	0	2,462
- Printing and stationeries	9,171	0	9,171
- Professional fees	900	0	900
- Telecommunications	3,400	0	3,400
Staff costs			
- CPF and SDL contribution	16,939	0	16,939
- Salaries and annual wage supplements	107,272	0	107,272
	<u>146,564</u>	<u>0</u>	<u>146,564</u>
	<u>1,375,384</u>	<u>183,124</u>	<u>1,558,508</u>
NET SURPLUS	79,207	365,629	444,836
Accumulated funds brought forward	<u>2,917,807</u>	<u>3,535,942</u>	<u>6,453,749</u>
Accumulated funds carried forward	<u>2,997,014</u>	<u>3,901,571</u>	<u>6,898,585</u>

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

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2015**

		Unrestricted Fund	Restricted Fund	
		General Fund	Building Fund	Total Funds
2015	Note	S\$	S\$	S\$
INCOME				
<i>Income from generating voluntary funds</i>				
Donations				
- Tax exempt	4	590,961	269,647	860,608
- Non-tax exempt		221,808	330,587	552,395
		<u>812,769</u>	<u>600,234</u>	<u>1,413,003</u>
Care and share grant		<u>0</u>	<u>1,815,846</u>	<u>1,815,846</u>
<i>Income from provision of care services</i>				
Membership subscriptions		1,900	0	1,900
Residents public assistance grants		176,193	0	176,193
Residents upkeep contributions		541,981	0	541,981
		<u>720,074</u>	<u>0</u>	<u>720,074</u>
<i>Other income</i>				
Interest income		19,824	2,263	22,087
Offertory		4,466	0	4,466
Sales of scrap/unused items		0	0	0
Sales of Toscano Wallet		2,840	0	2,840
Special employment credit		25,706	0	25,706
		<u>52,836</u>	<u>2,263</u>	<u>55,099</u>
		<u>1,585,679</u>	<u>2,418,343</u>	<u>4,004,022</u>
EXPENDITURES				
<i>Cost of generating voluntary funds</i>				
Fund raising expenses		<u>41,038</u>	<u>0</u>	<u>41,038</u>
<i>Cost of provision of care services</i>				
Cleaning		12,876	0	12,876
Counselling Services		21,828	0	21,828
Depreciation of property, plant and equipment		96,466	0	96,466
Donated expense		56,255	0	56,255
Employment agency fee		336	0	336
Food and provisions		112,252	0	112,252
General expenses		1,739	0	1,739
Insurance		9,997	0	9,997
Landscape services		25,300	0	25,300
License fees		112	0	112
Medical and clinical expenses		8,276	0	8,276
Pest control		3,980	0	3,980
Physiotherapist services		8,460	0	8,460
Repair and maintenance		58,738	85,000	143,738
Residents' pocket money		7,780	0	7,780
Sponsored purchases		10,214	0	10,214

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2015 (CONT'D)**

	Unrestricted Fund General Fund	Restricted Fund Building Fund	Total Funds
	S\$	S\$	S\$
2015			
Cost of provision of care services (Cont'd)			
Staff costs			
- CPF and SDL contribution	26,943	0	26,943
- Foreign workers' levy	71,517	0	71,517
- Salaries and annual wage supplements	345,498	0	345,498
- Staff repatriation travel	5,261	0	5,261
- Staff welfare	2,461	0	2,461
- Training	350	0	350
- Uniforms	1,360	0	1,360
Special event	952	0	952
Transportation	5,120	0	5,120
Utilities	94,097	0	94,097
Workshop for residents	5,500	0	5,500
	<u>993,668</u>	<u>85,000</u>	<u>1,078,668</u>
Governance and administrative costs			
Administrative			
- Audit fees	13,985	0	13,985
- Bank charges	1,168	0	1,168
- Printing and stationeries	6,657	0	6,657
- Professional fees	300	0	300
- Telecommunications	2,501	0	2,501
Staff costs			
- CPF and SDL contribution	18,175	0	18,175
- Salaries and annual wage supplements	117,608	0	117,608
	<u>160,394</u>	<u>0</u>	<u>160,394</u>
	<u>1,195,100</u>	<u>85,000</u>	<u>1,280,100</u>
NET SURPLUS	390,579	2,333,343	2,723,922
Transfer (from)/to for Care and Share Grant	(41,831)	41,831	0
Total	<u>348,748</u>	<u>2,375,174</u>	<u>2,723,922</u>
Accumulated funds brought forward	<u>2,569,059</u>	<u>1,160,768</u>	<u>3,729,827</u>
Accumulated funds carried forward	<u>2,917,807</u>	<u>3,535,942</u>	<u>6,453,749</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
ASSETS			
Current assets			
Cash and cash equivalents	5	4,021,979	3,233,441
Other receivables	6	96,370	2,999,281
		<u>4,118,349</u>	<u>6,232,722</u>
Non-current assets			
Held-to-maturity investment	7	0	200,000
Property, plant and equipment	8	2,867,059	122,795
		<u>2,867,059</u>	<u>322,795</u>
Total assets		<u>6,985,408</u>	<u>6,555,517</u>
LIABILITIES			
Current liabilities			
Accruals and other payables	9	86,823	101,768
Total liabilities		<u>86,823</u>	<u>101,768</u>
NET ASSETS		<u>6,898,585</u>	<u>6,453,749</u>
FUNDS			
Unrestricted fund			
- General fund		2,997,014	2,917,807
Restricted fund			
- Building fund	10	3,901,571	3,535,942
		<u>6,898,585</u>	<u>6,453,749</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Unrestricted Fund S\$	Restricted Fund S\$	Total Funds S\$
2016			
Balance at beginning of year	2,917,807	3,535,942	6,453,749
Net Surplus	79,207	365,629	444,836
Balance at end of year	<u>2,997,014</u>	<u>3,901,571</u>	<u>6,898,585</u>

	Unrestricted Fund S\$	Restricted Fund S\$	Total Funds S\$
2015			
Balance at beginning of year	2,569,059	1,160,768	3,729,827
Net Surplus	390,579	2,333,343	2,723,922
Transfer (from) / to for Care and Share Grant	(41,831)	41,831	0
Balance at end of year	<u>2,917,807</u>	<u>3,535,942</u>	<u>6,453,749</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net Surplus		444,836	2,723,922
Adjustments for:			
- Depreciation	8	142,226	96,466
- Interest income		(31,648)	(22,087)
Operating cash flow before working capital changes		555,414	2,798,301
Changes in operating assets and liabilities:			
- Other receivables		2,905,741	(2,949,973)
- Accruals and other payables		(14,945)	30,757
Net cash provided from/(used in) operating activities		3,446,210	(120,915)
Cash flows from investing activities			
Interest received		28,818	19,229
Receipt from matured investment on structured deposit		200,000	0
Purchases of property, plant and equipment	8	(2,886,490)	(15,000)
Net cash (used in)/ provided from investing activities		(2,657,672)	4,229
Net increase/(decrease) in cash and cash equivalents		788,538	(116,686)
Cash and cash equivalents at beginning of financial year		3,233,441	3,350,127
Cash and cash equivalents at end of financial year		4,021,979	3,233,441
Cash and cash equivalents comprise:			
Cash on hand		1,500	1,500
Cash at bank		593,285	831,941
Fixed deposits		3,427,194	2,400,000
	5	4,021,979	3,233,441

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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 Institutions of a Public Character ('IPC') status for the period from 01 October 2014 to 31 March 2018.

These financial statements are presented in Singapore Dollar (S\$), which is the Home's functional currency.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS") and is subject to the provision of the Charities Act (Chapter 37). 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 that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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.

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, 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.

The adaptation of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Home 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)

Interpretations and amendments to published standards effective in 2016 (Cont'd)

New or amended Standards and Interpretations effective after 1 January 2016

The following are the new or amended Standards and Interpretations (issued up to 04 January 2017) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
Amendments to: <ul style="list-style-type: none"> - FRS 7: Statement of cash flows (Disclosure initiative) - FRS 12: Income taxes (recognition of deferred tax assets for unrealised losses) 	1 January 2017
FRS 109: Financial Instruments FRS 115: Revenue from Contracts with Customers Amendments to: <ul style="list-style-type: none"> - FRS 102: Classification and Measurement of Share-based Payment Transactions - FRS 40: Transfers of Investment Property - FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers 	1 January 2018
FRS 116: Leases	1 January 2019

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

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Home's activities. Revenue is recognised as follows:

- 2.2.1 Donations are taken up and accrued as and when they are committed. Uncommitted donations, income from charitable activities and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.
- 2.2.2 Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Home will comply with all the attached conditions.
- 2.2.3 Revenue from rendering of services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.
- 2.2.4 Interest income is recognised on a time-proportion basis using the effective interest method.
- 2.2.5 Other income is recognised when incurred.

2. Significant accounting policies (Cont'd)

2.3 Expense 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.

2.3.1 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.

2.3.2 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.

2.4 Property, plant and equipment

2.4.1 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.

2.4.2 Depreciation

Depreciation on leasehold land and building, and renovation are calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. Other assets are depreciated on the reducing balance method to write off the assets at the following rates:

	Useful life
Equipment	5 years
Furniture and fittings	5 years
Leasehold land and building	30 years
Motor vehicle	10 years
Renovation	10 years

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

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

2.4.3 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. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.4.4 Disposal

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

2.5 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, 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 other than goodwill 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 other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revalued increase.

2.6 Financial assets

2.6.1 Classification

The Home classifies its financial assets in the following categories: loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.1 Classification (Cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "Other receivables" and "Cash and cash equivalents" on the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Home's Management Committee has the positive intention and ability to hold to maturity. If the Home were to sell other than an insignificant amount of held-to-maturity investments, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets.

2.6.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Home has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities.

2.6.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

2.6.4 Impairment

The Home assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables and Held-to-maturity investments

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The allowance for impairment loss account is reduced through statement of financial activities in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2. Significant accounting policies (Cont'd)

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions, which are subject to an insignificant risk of change in value.

2.8 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 "Accruals and other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, 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.

2.9 Accruals and other payables

Accruals and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.10 Provisions for other liabilities and charges

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

2.11 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, approximate their fair values due to their short-term nature.

2.12 Operating lease

Leases where substantially all risks and rewards incidental to the ownership are retained by the lessor. Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of comprehensive income. Contingent rents are recognised as an expense in the statement of comprehensive income in the financial year in which they are incurred.

2.13 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. Significant accounting policies (Cont'd)

2.14 Employee compensation

Defined contribution plans

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

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 statement of financial position date.

2.15 Related parties

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Home if that person:
 - (i) Has control or joint control over the Home;
 - (ii) Has significant influence over the Home; or
 - (iii) Is a governing board member, trustee or a member of the key management personnel of the Home or of a parent of the Home;
- b) An entity is related to the Home if any of the following conditions applies:
 - (i) The entity and the Home are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the Home is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Home or an entity related to the Home. If the Home is itself such a plan, the sponsoring employers are also related to the Home.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Home or to the parent of the Home.

3. Critical accounting estimates, assumptions and judgments

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 judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated useful lives of property, plant and equipment

The Home reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

Impairment of property, plant and equipment

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

Allowance for impairment of receivables

The Home reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual resident. If there are indications that the financial position of a resident has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Tax deductible receipts

During the financial year, the Home issued tax-exempt receipts for donations collected amounting to S\$816,580 (2015: S\$860,608) as follows:

	2016 S\$	2015 S\$
<u>Statement of financial activities</u>		
General fund		
• Donations	304,777	590,961
• Celebrating Ageing	940	0
Building fund		
• Donations	314,423	124,612
• Fund raising : GALA dinner	196,440	145,035
	<u>816,580</u>	<u>860,608</u>

5. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash on hand	1,500	1,500
Cash at bank	593,285	831,941
Fixed deposits	3,427,194	2,400,000
	<u>4,021,979</u>	<u>3,233,441</u>

Cash at bank earns interest at bank deposit rates.

Fixed deposits are with interest from 1.13% to 1.28% (FY2015: 1.13% to 1.50%) per annum. Interest earned but not yet received as at reporting date is recognised under other receivables as shown in Note 6. The principal and interest will be rolled forward for the same tenor until further instructions from the Home.

As at the end of the reporting period, the tenures of the fixed deposits are:

	2016 S\$	2015 S\$
1 month to 1 year	<u>3,427,194</u>	<u>2,400,000</u>

The fixed deposits may be uplifted by the Home prior to maturity date if necessary and included in cash and cash equivalents in the Statement of Cash Flows.

Cash and cash equivalents are attributable to:

	2016 S\$	2015 S\$
- Building fund	1,113,194	655,872
- General fund	2,908,785	2,577,569
	<u>4,021,979</u>	<u>3,233,441</u>

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

6. Other receivables

	Note	2016 S\$	2015 S\$
Deposits		45,895	45,965
Donations receivable		31,370	31,578
Interest receivable	5, 7	2,830	2,858
Residents upkeep fee		11,700	3,778
Prepayments		4,575	2,915,102
		<u>96,370</u>	<u>2,999,281</u>

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

7. Held-to-maturity investment

	2016 S\$	2015 S\$
Structured deposit	0	200,000

In a Management Committee meeting held on 3 August 2010, it was resolved to invest S\$200,000 of the Home's cash in principal guaranteed structured deposit for a period of 5 years and 6 months with guaranteed total interest of 7.5% over the tenor and possible bonus interest of up to 3% if deposit is held to maturity. The held-to-maturity investment fully matured on 7 April 2016.

In 2015, interest earned but yet to receive as at reporting date is recognised under other receivables as shown in Note 6.

8. Property, plant and equipment

	Equipment S\$	Furniture and fittings S\$	Leasehold land and building S\$	Motor vehicle S\$	Renovation S\$	Total S\$
2016						
Cost						
Beginning of financial year	388,769	213,386	1,606,290	66,372	1,098,728	3,373,545
Additions	6,420	0	2,880,070	0	0	2,886,490
Written off	(1,700)	(785)	(1,606,290)	0	0	(1,608,775)
End of financial year	393,489	212,601	2,880,070	66,372	1,098,728	4,651,260
Accumulated depreciation						
Beginning of financial year	367,914	213,386	1,606,290	56,880	1,006,280	3,250,750
Depreciation	8,771	0	96,002	6,637	30,816	142,226
Written off	(1,700)	(785)	(1,606,290)	0	0	(1,608,775)
End of financial year	374,985	212,601	96,002	63,517	1,037,096	1,784,201
Net book value at end of financial year	18,504	0	2,784,068	2,855	61,632	2,867,059
2015						
Cost						
Beginning of financial year	374,014	213,841	1,606,290	66,372	1,098,728	3,359,245
Additions	15,000	0	0	0	0	15,000
Written off	(245)	(455)	0	0	0	(700)
End of financial year	388,769	213,386	1,606,290	66,372	1,098,728	3,373,545
Accumulated depreciation						
Beginning of financial year	358,258	212,954	1,547,743	50,243	985,786	3,154,984
Depreciation	9,901	887	58,547	6,637	20,494	96,466
Written off	(245)	(455)	0	0	0	(700)
End of financial year	367,914	213,386	1,606,290	56,880	1,006,280	3,250,750
Net book value at end of financial year	20,855	0	0	9,492	92,448	122,795

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

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 Dec 2015.

On 18 November 2015,

- after months of discussion, the Trustees, authorized 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, estimated to cost S\$12 million, will be erected.
- the Trustees, authorized 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.

The said amount of S\$2,880,070 was transferred from prepayment to leasehold land and building during the current financial year.

During the financial year, the Management Committee approved the written off of the leasehold building for the amount of S\$1,606,290 and disposal of several plant and equipment items that were beyond economical repair.

9. Accruals and other payables

	2016 S\$	2015 S\$
Accruals	4,922	26,124
Advanced upkeep fee	4,500	1,800
CPF and FWL payables	33,406	23,126
Refundable upkeep deposit	41,310	37,080
Public assistance allowance received in advance	0	13,488
Other payable	2,675	0
Others	10	150
	<u>86,823</u>	<u>101,768</u>

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

10. Building Fund

In April 2013, a restricted fund was set up specifically for the purpose of building redevelopment.

In 2015, receipts from the SG50 Care & Share Grant totalling S\$1,815,846 were paid into this Fund.

In last year, S\$2,880,070 was paid to the Commissioner of Lands SLA for the 30 year lease beginning on 1 January 2016 for 3,300 square meter of the land, on which a five storey building is to be constructed. The building is estimated to cost S\$12 million. The prepayment was transferred to the property, plant and equipment during the current financial year.

10. Building Fund (Cont'd)

Net assets of the restricted fund are as follows:

	2016 S\$	2015 S\$
Total restricted fund	3,901,571	3,535,942
Represented by:		
Cash and cash equivalents	1,113,194	655,872
Prepayment	0	2,880,070
Property, plant and equipment	2,784,068	0
Donations receivable	3,470	0
Interest receivable	839	0
	3,901,571	3,535,942

11. 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 Cap. 134.

12. Related party transactions

The Home had no significant transactions with related parties during the financial year (2015: NIL).

The Management Committee members did not receive any remuneration from the Home during the financial year (2015: NIL).

13. Key management personnel compensation

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

	2016 S\$	2015 S\$
Salaries, allowance and bonuses	151,332	164,510
CPF and SDL contributions	25,729	27,183
	177,061	191,693
	2016 No. of key management personnel	2015 No. of key management personnel
Remuneration band		
S\$50,001 to S\$100,000	1	2
Below S\$50,000	2	1

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

14. Operating lease commitments

At the reporting date, the Home has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2016 S\$	2015 S\$
Not later than one year	162,060	162,060
Later than one year but not later than five years	162,060	324,120
	<u>324,120</u>	<u>486,180</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

15. 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.

16. 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 April 2013.

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.

16. Governance (Cont'd)

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 was held on 20 August 2016 as our Home's main fund raising event for building development purpose;
- b. Appeal letters sent to donors once a year. In 2016, the appeal letters were sent out in October;
- c. Use of our webpage to create awareness of our Home's cause and our needs. We have online donation campaigns via our own websites;
- d. Subscription to the SG Gives/Giving.sg and Simply Giving donation portals; and
- e. Organizations 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.

	2016 S\$	2015 S\$
Total Gross receipts	1,091,398	1,413,003
Total expenses	54,709	41,038
Fund raising efficiency ratio	<u>5%</u>	<u>3%</u>

The Home has not used any commercial fundraiser.

17. Reserve position and policy

The Home's reserve position (excluding non-current assets) for the financial year 31 December 2016 is as follows:

	2016 S\$'000	2015 S\$'000	Increase (Decrease) S\$'000	Percentage of Increase (Decrease) %
A Unrestricted Funds				
Accumulated General funds	2,997	2,918	79	3
B Restricted or Designated Funds	3,902	3,536	366	10
C Endowment Funds	N/A	N/A	N/A	
D Total Funds	6,899	6,454	445	7
E Total Annual Operating Expenditure	1,559	1,280	279	22
F Ratio of Unrestricted Funds to Annual Operating Expenditure (A/E)	1.92	2.28		

Reference:

- C. 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.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Administrative Costs.

17. Reserve position and policy

The Home's Reserve Policy is as follows:

The funds that the Home has set aside provide financial stability and the means for the development of principal activity. The Home intends to maintain unrestricted funds at a level, which is equivalent to S\$3,000,000 (approximately two years of expenditure including depreciation).

a. Reason for funds level set

Unrestricted Funds (Reserves):

Approximately two years of expenditure including depreciation.

b. Steps the Home is taking to establish or maintain funds at agreed level

The Home has largely built its funds to S\$3,000,000.

c. Thereafter, any balance of funds above the S\$3,000,000 funds will be channeled to our Building Fund (Restricted Fund)

Building Fund Budget:

S\$12 million (as advised by the architect commissioned for the feasibility study)

The Management Committee will review annually the amount of funds that are required to ensure that they are adequate to fulfill the Home's continuing obligations.

18. Financial instruments

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

	2016 S\$	2015 S\$
<u>Financial assets</u>		
Cash and cash equivalents	4,021,979	3,233,441
Other receivables (excluding prepayment)	91,795	84,179
	<u>4,113,774</u>	<u>3,317,620</u>
<u>Financial liabilities</u>		
Accruals and other payables	<u>86,823</u>	<u>101,768</u>

19. 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

The Home is exposed to credit risk in the event that counterparties fail to perform their obligations, resulting in a financial loss to the Home. The Home has no major concentration of credit risk.

The carrying amount of financial assets recorded in the financial statements represents the Home's maximum exposure to credit risk.

The Home places its cash with creditworthy institutions.

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.

	2016 S\$	2015 S\$
<i>Payable within one year</i>		
<u>Financial liabilities</u>		
Accruals and other payables	<u>86,823</u>	<u>101,768</u>

Interest rate risk

Surplus funds are placed with reputable banks. The Home's policy is to obtain a favourable interest rate reasonably available.

	2016 S\$	2015 S\$
<u>Within one year – fixed rates</u>		
<i>Financial assets</i>		
Fixed deposits	<u>3,427,194</u>	<u>2,400,000</u>

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

Fair values

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

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee of the Home on **11 APR 2017**