SOCIETY FOR THE AGED SICK

(UEN: S68SS0022J)

FINANCIAL STATEMENTS – 31 March 2014

President

Eric Teoh Cheng Eam

Immediate Past President

Tan Kong Chin

Deputy Presidents

Liew Soo Wah
Liew Shew Choi

Honorary Treasurer

Chew Loy Cheow

Honorary Secretary

Lau Chee Tiun

Committee members

Dr Timothy Teoh
Jennifer Ho
Cynthia Phua
Yeo Chuen Eng
Chew Heh Chwen

Registered office

130 Hougang Avenue 1
Singapore 538900

Independent Auditor

Robert Yam & Co

In our opinion, the accompanying financial statements set out on pages 6 to 30 are properly drawn up in accordance with the books and vouchers of the Society for The Aged Sick and Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of the Society For The Aged Sick as at 31 March 2014, the results, changes in funds and reserves and cash flows of the Society for the year then ended, and at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

On behalf of the Board

....
Eric Teoh Cheng Eam
President

....
Chew Loy Cheow
Honorary Treasurer

....
Lau Chee Tiun
Honorary Secretary
Singapore

10 June 2014

ROBERT YAM & CO.,
Chartered Accountants of Singapore
Consultants & Business Advisers

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To the members of Society for the Aged Sick

Report on the Financial Statements

We have audited the accompanying financial statements of Society For The Aged Sick (the "Society") which comprise the statement of financial position as at 31 March 2014 and the statement of comprehensive income, the statement of changes in funds and reserves and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Societies Act, Chapter 311 (the "Societies Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Malaysia, Hong Kong,
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To the members of Society for the Aged Sick

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society at 31 March 2014 and the results, changes in funds and reserves and cash flows of the Society for the year ended on that date.

Other matters

The financial statements of Society for the Aged Sick for the year ended 31 March 2013 were audited by another auditor who expressed an unqualified opinion on those statements on 21 June 2013.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations, and

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

(a) The use of the donation moneys was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institution of a Public Character) Regulations; and

(b) The Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Robert Yam & Co.,

Public Accountants and
Chartered Accountants
Singapore

10 June 2014

GH/YM/rbm

	Note	2014 S$	2013 S$
ASSETS LESS LIABILITIES			
Non-Current Assets			
Property, plant and equipment	5	12,901,350	13,589,583
Available-for-sale financial assets	6	1,541,450	1,531,500
		14,442,800	15,121,083
Current Assets			
Trade receivables	7	198,896	134,053
Other receivables	8	572,830	191,376
Cash and cash equivalents	13	14,547,702	12,284,069
		15,319,428	12,609,498
Total assets		29,762,228	27,730,581
Non Current Liability			
Deferred building grants	9	10,442,683	10,524,283
Deferred SAE funding	10	342,784	68,987
		10,785,467	10,593,270
Current Liabilities			
Trade payables	11	172,962	93,021
Other payables	12	922,302	579,168
		1,095,264	672,189
Total liabilities		11,880,731	11,265,459
NET ASSETS		17,881,497	16,465,122
FUNDS AND RESERVES			
Accumulated fund		10,172,604	8,794,917
R.K. Booker Memorial fund		64,585	64,270
Computerisation fund		146,133	145,302
Compensation fund		4,849,394	4,821,802
POSB Centenary fund		3,000	3,000
Building reserves		2,629,081	2,629,081
Fair value reserve		16,700	6,750
TOTAL FUNDS AND RESERVES		17,881,497	16,465,122

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

Society for the Aged Sick

Statement of Comprehensive Income
for the year ended 31 March 2014

	Note	2014 S$	2013 S$
Income			
Government subvention		4,757,038	3,692,658
Unsolicited donations	14	791,641	496,349
Interest Income		57,375	58,262
Residents' maintenance fees		1,152,985	1,171,229
Residents' consumable charges		450,895	444,953
Miscellaneous		104,562	117,949
Amortisation of deferred building grant	9	1,606,566	314,367
Utilisation of deferred building grant	9	52,349	499,241
Donations in kind – distribution		216,899	193,052
Investment interest income		58,642	57,109
Utilisation of deferred SAE funding	10	206,645	-
		9,455,597	7,045,169
Less:			
Expenditure on manpower			
Salaries		2,559,953	1,840,733
CPF & SDF		217,672	200,707
Bonus		365,705	278,699
Other staff benefits		192,242	194,850
Recruitment expenses		11,461	4,464
Foreign Workers' levy		556,762	305,687
	15	3,903,795	2,825,140
Replacement & Maintenance expenses			
Land and buildings		83,680	27,610
Furniture & equipment		43,015	36,283
Vehicles		21,838	15,543
		148,533	79,436
Administrative expenses			
Supplies and materials		1,107,683	973,044
Auditor's remuneration		22,000	10,000
Communication		7,399	7,262
Fund raising expenses		32,219	6,880
Insurance		14,047	9,614
Miscellaneous		7,022	4,641
Professional fees and services		128,181	52,215
Refuse collection charges		19,779	19,320
Other residents benefits		31,894	3,501
Transport		619	596
Depreciation of property, plant and equipment		1,968,894	585,371
Utilities		343,506	316,172
Project related expenses		-	191
Occupational therapy services		48,600	34,735
GST expense		18,117	423,702
Loss on disposal of property, plant and equipment		338	133
Fee-charitable funds		139,502	206,524
Fixed assets not capitalised		106,992	-
		3,996,792	2,653,901
Total Expenditure		8,049,120	5,558,477
Surplus for the year		1,406,477	1,486,692

Society for the Aged Sick

Statement of Comprehensive Income
for the year ended 31 March 2014

	Note	2014 S$	2013 S$
Other comprehensive income:			
Items that maybe reclassified subsequently to profit or loss:			
Fair value gain on available-for-sale financial assets	6	9,950	15,250
Other comprehensive gain for the year		9,950	15,250
Total comprehensive income for the year		1,416,427	1,501,942
Transferred to:			
Accumulated fund		1,377,687	1,440,552
Transfer to R.K. Booker Memorial Fund		367	589
Transfer to Compensation Fund		27,592	44,218
Transfer to Computerisation Fund		831	1,333
Fair value reserve	6	9,950	15,250
Total comprehensive income for the year		1,416,427	1,501,942

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

Statement of Changes in Funds and Reserves
for the year ended 31 March 2014

	Note	2014 S$	2013 S$
Accumulated fund			
Beginning of financial year		8,794,917	7,354,365
Surplus for the year		1,377,687	1,440,552
End of financial year		10,172,604	8,794,917
R.K. Booker memorial fund			
Beginning of financial year		64,270	63,681
Interest income		367	589
Utilised		(52)	-
End of financial year		64,585	64,270
Computerisation fund			
Beginning of financial year		145,302	143,969
Interest income		831	1,333
End of financial year		146,133	145,302
Compensation fund			
Beginning of financial year		4,821,802	4,777,584
Interest income		27,592	44,218
End of financial year		4,849,394	4,821,802
POSB centenary fund			
Beginning and end of financial year		3,000	3,000
Building reserves			
Beginning and end of financial year		2,629,081	2,629,081
Fair value reserve			
Beginning of financial year		6,750	(8,500)
Fair value losses on available-for-sale financial assets	6	9,950	15,250
End of financial year		16,700	6,750
Total funds, reserves and grants		17,881,497	16,465,122

Society for the Aged Sick

Statement of Cash Flows
for the year ended 31 March 2014

	Note	2014 S$	2013 S$
Cash flow from operating activities:			
Surplus for the year		1,406,477	1,486,692
Adjustments for:			
Amortisation of deferred building grant	9	(1,606,566)	(314,367)
Utilisation of government grant		(258,994)	(576,335)
Interest income		(57,375)	(58,262)
Investment interest income		(58,642)	(57,109)
Depreciation of property, plant and equipment	5	1,968,894	585,371
Loss on disposal of fixed assets		338	133
Donation-in-kind for fixed assets		(4,280)	(10,708)
Fixed assets written-off		741	-
Operating cash flow before working capital changes		1,390,593	1,055,415
Changes in working capital:			
Trade receivables		(64,843)	(66,931)
Other receivables		(117,218)	(66,248)
Trade payables		79,941	18,921
Other payables		343,133	(437,028)
Government grant received for SAE funding for future operating use	10	480,442	-
Cash generated from operations		2,112,048	504,129
Interest received		44,883	61,804
Net cash generated from operating activities		2,156,931	565,933
Cash flow from investing activities:			
Government grant received for buildings	9	596,125	6,033,051
Public donations received	9	730,287	158,663
Purchase of debt securities		-	(505,000)
Interest income received from available-for-sale financial assets		58,750	53,567
Purchases of property, plant and equipment (Note A)		(1,278,460)	(5,535,187)
Net cash generated from investing activities		106,702	205,094
Net increase in cash and cash equivalents		2,263,633	771,027
Cash and cash equivalents at beginning of year		12,284,069	11,513,042
Cash and cash equivalents at end of year	13	14,547,702	12,284,069

Note A:

During the year, the Society acquired property, plant and equipment amounting to S$1,282,740 (2013: S$5,545,895) out of which $4,280 (2013: S$10,708) was the estimated fair value of donated property, plant and equipment and the balance of S$1,278,460 (2013: S$5,535,187) was financed by cash.

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

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

1. Society information

The Society for the Aged Sick (the "Society") is registered under the Societies Act, Cap. 311 and domiciled in the Republic of Singapore.

The registered office of Society For The Aged Sick is located at 130 Hougang Avenue 1 Singapore 538900.

The Society is registered as a Charity under the Charities Act, Cap 37 on 6 February 1984 and is an approved institution of a public character (IPC No: HEF0041/G).

The principal activity of the Society is the provision of nursing care services for the aged sick.

The financial statements of Society For The Aged Sick for the financial year ended 31 March 2014 were authorised for issue in accordance with a Annual General Meeting held on 10 June 2014.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgments in the process of applying the Society's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 3.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Society has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Society.

(b) Property, plant and equipment

Property, plant and equipment are initially recognised at cost which, for donated property, plant and equipment, is the reasonable estimate of their fair value at the date of the gift. After initial recognition, property, plant and equipment are subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any contract is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner in tender by management.

2. Significant accounting policies (cont'd)

(b) Property, plant and equipment (cont'd)

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Society and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss as incurred.

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

Leasehold building is calculated using the reducing balance method to allocate their depreciable amounts over their remaining useful lives. The estimated remaining useful lives are 7.5 years (2013: 8.5 years).

Depreciation on other items of property, plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are follows:-

		Useful lives
Furniture and equipment	-	3 - 10 years
Motor vehicles	-	5 years

Building under construction is not depreciated as the asset is not yet available for use.

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 profit or loss when the changes arise.

(c) Impairment of non-financial assets

Property, plant and equipment 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 flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating units ("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.

2. Significant accounting policies (cont'd)

(c) Impairment of non-financial assets (cont'd)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

The carrying amount of an 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 recognized for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, 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 credited to profit or loss.

(d) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs of liquidity or in response to changes in the market conditions.

2. Significant accounting policies (cont'd)

(d) Financial assets (cont'd)

(ii) Available-for-sale financial assets (cont'd)

After the initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial assets

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Society commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(e) Impairment of financial assets

The Society assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Society first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Society determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Significant accounting policies (cont'd)

(e) Impairment of financial assets (cont'd)

(i) Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are reversed in subsequent periods.

(iii) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include: (i) Significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

2. Significant accounting policies (cont'd)

(e) Impairment of financial assets (cont'd)

(iii) Available-for-sale financial assets (cont'd)

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits.

(g) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Society that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

2. Significant accounting policies (cont'd)

(g) Financial liabilities (cont'd)

Financial liabilities at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Society has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the 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 the respective carrying amounts is recognized in profit or loss.

(h) Income recognition

(i) Ordinary members' fees are recognised when due and received.
(ii) Resident fees are recognised when due.
(iii) Subsidies from Ministry of Health and donations are recognised in the financial statements as and when received.
(iv) Interest income is recognised using the effective interest method.

(i) Donations-in-kind

Incoming donations-in-kind are recognized as follows:

i assets donated and held as stock for distribution are recognized as income when they are distributed with an equivalent amount being included as expenses. Donations-in-kind for distribution include mainly food, medical supplies and cleaning materials. No value is placed on stocks for items as yet undistributed.

ii fixed assets donated for use by the Society are recognized as income and within the relevant fixed asset category of the statement of financial position when receivable.

The amount at which donations-in-kind are brought into account is the reasonable estimate of their fair value.

2. Significant accounting policies (cont'd)

(j) Functional and presentation currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ("the functional currency"). The financial statements of the Society are presented in Singapore dollars ("S$"), which is the functional currency of the Society.

(k) Employee benefits

(i) Defined contribution plans

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

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as liability when they accrued to employees. The estimated liability for annual leave is recognized for services rendered by employees up to the reporting date.

(l) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants that compensate the Society for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Society for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt.

3. Significant accounting judgments and estimates

The preparation of the Society's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at each reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

Apart from those involving estimations, management has not made any high degree of judgment in the process of applying the Society's accounting policies.

3. Significant accounting judgments and estimates (cont'd)

(b) Key sources of assumption uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, 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. The company based its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Impairment of loan and receivables

The Society assesses at each reporting date whether there is any objective evidence that trade debtors are impaired. To determine whether there is objective evidence of impairment, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Company's loans and receivables at the end of each reporting period are disclosed in Note 7 (Trade receivables) and Note 8 (Other receivables) to the Financial Statements.

(ii) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Company's property, plant and equipment at the end of each reporting period is disclosed in Note 5 (Property, plant and equipment) to the financial statements.

4. Income tax

The Society is exempt from tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

5. Property, plant and equipment

	Furniture & equipment S$	Motor vehicles S$	Leasehold buildings S$	Total S$
2014				
Cost				
At 1 April 2013	823,612	177,139	19,153,475	20,154,226
Additions	280,340	-	1,002,400	1,282,740
Reclassifications	309,261	-	(309,261)	-
Disposals	(3,068)	-	-	(3,068)
Written off	(2,960)	-	-	(2,960)
At 31 March 2014	1,407,185	177,139	19,846,614	21,430,938
Accumulated depreciation				
At 1 April 2013	458,608	158,651	5,947,384	6,564,643
Additions	140,252	9,648	1,818,994	1,968,894
Disposals	(1,730)	-	-	(1,730)
Written off	(2,219)	-	-	(2,219)
At 31 March 2014	594,911	168,299	7,766,378	8,529,588
Net book value				
At 31 March 2014	812,274	8,840	12,080,236	12,901,350
2013				
Cost				
At 1 April 2012	780,096	177,139	13,651,375	14,608,610
Additions	43,795	-	5,502,100	5,545,895
Disposals	(279)	-	-	(279)
At 31 March 2013	823,612	177,139	19,153,475	20,154,226
Accumulated depreciation				
At 1 April 2012	375,671	149,005	5,454,742	5,979,418
Additions	83,083	9,646	492,642	585,371
Disposals	(146)	-	-	(146)
At 31 March 2013	458,608	158,651	5,947,384	6,564,643
Net book value				
At 31 March 2013	365,004	18,488	13,206,091	13,589,583

In prior year, leasehold buildings included S$9,511,280 which relates to expenditure for a new extension building in the course of construction, which is completed in the current financial year.

As at 31 March 2014, leasehold buildings included S$256,780 which relates to expenditure for renovation of the existing building in the course of construction.

6. Available-for-sale financial assets

	2014 S$	2013 S$
Beginning of financial year	1,531,500	1,011,250
Additions	-	505,000
Fair value gain recognised in other comprehensive income	9,950	15,250
End of financial year	1,541,450	1,531,500

Available-for-sale financial assets are analysed as follows:

	2014 S$	2013 S$
Quoted debt securities	525,450	515,500
Unquoted debt securities, at cost	1,016,000	1,016,000
	1,541,450	1,531,500

Quoted debt securities

Available-for-sale financial assets comprise debt securities with redemption dates on 12 January 2022 and bear coupon rate of 3.80% (2013: 3.80%) per annum. The fair value of quoted debt securities is determined by reference to their published bid price at the end of the reporting period.

Unquoted debt securities

Available-for-sale financial assets comprise debt securities with redemption dates on 27 October 2021 and 23 April 2027 and bear coupon rates of 3.80% - 4.15% per annum (2013: 3.80% - 4.15%). As the fair value of the unquoted debt securities cannot reliably measured, they are measured at cost.

7. Trade receivables

	2014 S$	2013 S$
Trade receivables-residents	198,896	134,053

Trade receivables are non-interest bearing and are generally on 30-90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The age analysis of trade receivables that are past due at the end of the reporting period but not impaired is as follows:

	2014 S$	2013 S$
Past due:		
31 to 60 days	22,449	29,202
61 to 90 days	13,201	9,108
More than 90 days	108,713	54,063
	144,363	92,373

8. Other receivables

	2014 S$	2013 S$
Medifund subsidy receivable	144,820	68,478
Capital grants receivable from Ministry of Health (Note 9)	250,903	-
Accrued fixed deposit interest	49,701	37,317
Refundable deposits	111,958	59,838
Other receivables	3,589	1,720
Financial assets (Note 17)	560,971	167,353
Prepayments	10,677	7,725
GST absorption claimable from MOH	1,182	16,298
Non-financial assets	11,859	24,023
Total other receivables	572,830	191,376

Other receivables are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

9. Deferred building grants

	2014 S$	2013 S$
Beginning of financial year	14,871,590	9,325,199
Capital grants from Ministry of Health		
Grants received during the year	596,125	5,886,970
Capital grants receivable from Ministry of Health (Note 8)	250,903	-
Utilisation of deferred building grant	(52,349)	(499,241)
	794,679	5,387,729
Public donations		
Public donations received during the year	730,287	158,662
End of financial year	16,396,556	14,871,590
Amortisation of grants		
Beginning of financial year	(4,347,307)	(4,032,940)
Amortisation for the year	(1,606,566)	(314,367)
End of financial year	(5,953,873)	(4,347,307)
Net balance at end of financial year	10,442,683	10,524,283

These are capital grants received from the Ministry of Health and public donations for the building and extension building of the Society.

Grants received during the financial year amounting to S$1,577,315 (2013: S$6,045,632) are in respect of a new extension building which is in course of construction at the end of the reporting period.

10. Deferred SAE funding

	2014 S$	2013 S$
SAE fund received from Ministry of Health		
Beginning of financial year	68,987	-
Grants received during the year	480,442	146,081
Utilisation for staff payment	(206,645)	(77,094)
End of financial year	342,784	68,987

These are Salary Adjustment Exercise funding received from the Ministry of Health for the purpose to narrow the salary gap between support care staff in public acute sector and ILTC sector.

11. Trade payables

Trade payables are non-interest bearing and are normally settled on 30 - 60 days' terms. Trade payables are denominated in Singapore Dollars.

12. Other payables

	2014 S$	2013 S$
Accruals	210,529	157,242
Residents' maintenance deposits	38,278	40,243
Residents' funds held on behalf	269,966	255,806
Foreign workers' bonus	49,926	24,250
Sundry payables	93,233	97,964
Retention sum payable	239,085	-
Financial liabilities (Note 17)	901,017	575,505
GST payables	21,285	3,663
Non-financial liabilities	21,285	3,663
Total other payables	922,302	579,168

Included in sundry payables is an amount of S$83,360 (2013: S$69,122) due payable in respect of capital expenditure on the Society's leasehold extension building. Sundry payables are non-trade in nature, unsecured, non-interest bearing and are short-term.

13. Cash and cash equivalents

	2014 S$	2013 S$
Fixed deposits	9,347,922	6,705,497
Cash at bank	5,192,780	5,571,572
Cash in hand	7,000	7,000
	14,547,702	12,284,069

Fixed deposits placed with financial institutions mature within 3 to 21 months (2013: within 6 to 23 months) from the financial year end. The interest rates of the fixed deposits at the end of the financial year were 0.35% to 1.11% (2013: 0.35% to 0.40%) per annum.

14. Donations with tax-exempt receipts issued

Included in unsolicited donations are donations for which tax-exempt receipts have issued of S$547,557 (2013: S$388,979).

15. Staff costs and emoluments

	2014 S$	2013 S$
Salaries	2,559,953	1,840,733
Bonus	365,705	278,699
CPF contribution	217,672	195,153
Foreign workers' levy	548,937	305,687
Other staff benefits	192,242	194,850
Recruitment expenses	11,461	4,464
SDL	7,825	5,554
	3,903,795	2,825,140
Average number of employees	187	142

Staff costs and emoluments include the following key management personnel compensation:

	2014 S$	2013 S$
Salaries and bonus	256,692	175,740
CPF contribution	36,895	26,734
Leave pay	1,187	5,126
	294,774	207,600

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the daily operations of the Society, directly or indirectly.

Number of key management personnel in remuneration bands:

	2014 S$	2013 S$
Below or equal to S$50,000	-	1
Above S$50,000 to below S$100,000	3	2
	3	3

16. Capital commitment

Capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements are as follows:

	2014	2013
	S$	S$
Capital commitment in respect of property, plant and equipment	396,232	843,525

Capital commitment in respect of fixed assets relates to outstanding capital expenditure for the construction of a new extension building amounting to S$76,237 (S$843,525) and renovation of the existing building amounting to S$319,995 (2013: Nil).

17. Categories of financial assets and liabilities

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

	Note	2014	2013
Financial assets		S$	S$
Available-for-sale financial assets:			
Debt securities	6	1,541,450	1,531,500
Loan and receivables:			
Trade receivable	7	198,896	134,053
Other receivables	8	560,971	167,353
Cash and cash equivalents	13	14,547,702	12,284,069
		15,307,569	12,585,475
Financial liabilities			
Financial liabilities measured at amortised cost:			
Trade payables	11	172,962	93,021
Other payables	12	901,017	575,505
		1,073,979	668,526

A description of the accounting policies for each category of financial instruments is disclosed in Note 2(d) (Financial assets) and Note 2(g) (Financial liabilities). A description of the Society's financial risk management objectives and policies for financial instruments is given in Note 18.

18. Financial risk management

The main risk arising from the Society's financial instruments are credit risk, interest rate risk, price risk and liquidity risk. The management reviews and agrees policies for managing each of these risks and they are summarised below:

18. Financial risk management (cont'd)

(a) Credit risk

Credit risk refers to the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's exposure to credit risk arises primarily from trade receivables, other receivables, fixed deposits and cash at bank. For trade receivables, the Society deals only with creditworthy counterparties. For other financial assets (including cash and cash equivalents), the Society minimises credit risks by dealing only with counterparties with high credit quality.

At the end of the reporting period, the Society's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position.

At the end of the reporting period, the Society has no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Society.

Fixed deposits and cash at bank that are neither past due nor impaired are mainly deposits placed with reputable licensed banks with high credit ratings.

Financial assets that are past due and/or impaired

Information regarding financial assets that are past due is disclosed in Note 7 (Trade receivables).

The Society has Nil (2013: Nil) class of financial assets that is impaired.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rate. The Society exposure to interest rate risk arises primarily from interest-bearing fixed deposits. The Society's policy is to obtain favorable interest rates that are available. The Society does not have any interest rate hedging policy.

Sensitivity analysis for interest rate risk

At the reporting date, if SGD interest rate had been 10 (2013: 10) basis points higher/lower with all variables held constant, the Society's surplus would have been S$10,889 (2013: S$8,237) higher/lower arising mainly as a result of higher/lower interest income from fixed deposits.

(c) Price risk

The Company is exposed to equity securities price risk arising from the investments held by the Company which are classified on the statement of financial position as available-for-sale financial assets. These securities are listed in Singapore. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

18. Financial risk management (cont'd)

(c) Price risk (cont'd)

If price for equity securities listed in Singapore had changed by 12.04% (2013: 11.04%) with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

	Other comprehensive income	
	2014	2013
	S$	S$
Listed in Singapore		
- Increased by	62,052	56,904
- Decreased by	(62,052)	(56,904)

(d) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society manages its liquidity risk by maintaining sufficient level of cash at bank to meet its working capital requirements.

The table below summarises the maturity profile of the Society's financial liabilities at the reporting date based on contractual undiscounted payments.

2014	1 year or less S$	1 to 5 years S$	Over 5 years S$	Total S$
Trade payables	172,962	-	-	172,962
Other payables	922,302	-	-	922,302
	1,095,264	-	-	1,095,264
2013				
Trade payables	93,021	-	-	93,021
Other payables	579,168	-	-	579,168
	672,189	-	-	672,189

19. Fair values of financial instruments

The following table presents financial instruments measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the assets or liability that are not based on observable market data (unobservable inputs) (Level 3).

19. Fair values of financial instruments (cont'd)

	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
2014				
Financial assets				
Available-for-sale financial assets				
- Quoted debt securities	525,450	-	-	525,450
As 31 March 2014	525,450	-	-	525,450
2013				
Financial assets				
Available-for-sale financial assets				
- Quoted debt securities	515,500	-	-	515,500
As 31 March 2013	515,500	-	-	515,500

The fair value of financial instruments traded in active markets (such as available for sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Society is the current bid price. These instruments are included in Level 1.

There were no assets or liabilities measured at fair value in Level 3 fair value measurements in the period. There were no transfers between Level 1 and Level 2 during the financial years ended 31 March 2014 and 2013.

The carrying amounts of trade receivables, other receivables, fixed deposits, cast at bank, cash in hand and other payables are reasonable approximation of fair values due to their short-term nature.

Fair value information has not been disclosed for the Company's investments in equity investments that are carried at cost (Note 6) because fair value cannot be measured reliably. These equity investments comprise debt securities in unquoted companies. There is also no active market for this. The Society does not intend to dispose of these investments in the foreseeable future.

20. Capital management

The Society's objectives when managing capital are to safeguard the organization's ability to continue as a going concern so that it can continue to provide delivery of its services for the aged sick.

The Society monitors capital by using various techniques to ensure that funds are adequate to finance its operations.

The Society is not subject to any externally imposed capital requirements for the years ended 31 March 2013 and 2014.

21. New or revised accounting standards and interpretations

	Description	Effective for annual periods beginning on or after
FRS 27 (revised)	Separate Financial Statements	1 January 2014
FRS 28 (revised)	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to FRS 110 (Transition Guidance)	Consolidated Financial Statements	1 January 2014
Amendments to FRS 111 (Transition Guidance)	Joint Arrangements	1 January 2014
Amendments to FRS 112 (Transition Guidance)	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 19	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to FRS 102	Definition of Vesting Condition	*1 July 2014
Amendments to FRS 103	Accounting for Contingent Consideration in a Business Combination	**1 July 2014
Amendments to FRS 108	Aggregation of Operating Segments Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	1 July 2014
Amendments to FRS 16	Revaluation Method - Proportionate Restatement of Accumulated Depreciation	1 July 2014
Amendments to FRS 24	Key Management Personnel	1 July 2014
Amendments to FRS 38	Revaluation Method - Proportionate Restatement of Accumulated Amortisation	1 July 2014
Amendments to FRS 103	Scope Exceptions for Joint Ventures	1 July 2014
Amendments to FRS 113	Scope of paragraph 52 (portfolio exception)	1 July 2014
Amendments to FRS 40	Clarifying the Interrelationship between FRS 103 and FRS 40 when Classifying Property as Investment Property or Owner-occupied Property	1 July 2014

* An entity shall prospectively apply that amendment to share-based payment transactions for which the grant date is on or after 1 July 2014.

** An entity shall apply that amendment prospectively to business combinations for which the acquisition date is on or after 1 July 2014.

The Executive Committee members expect that the adoption of the standards and interpretations above will have no material impact on the financial statements of the Society in the period of initial application.

22. Comparatives

Certain prior year comparatives of the statement of comprehensive income have been reclassified to conform with the current year's presentation and to better reflect the nature of the statement of comprehensive income as follow:

	2013 as reclassified S$	2013 as previously reported S$
Statement of comprehensive income		
2013		
Income		
Miscellaneous	117,949	139,149
Residents consumable charges	444,953	-
Administrative expenses		
Supplies and materials	973,044	596,860
Professional fees and services	52,215	4,646