

SOCIETY FOR THE AGED SICK

(UEN: S68SS0022)

FINANCIAL STATEMENTS - 31 March 2015

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SOCIETY FOR THE AGED SICK

GENERAL INFORMATION

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President

Eric Teoh Cheng Eam

Assistant Honorary Treasurer

Tan Kong Chin

Deputy Presidents

Liew Shew Choi
Dr Richard Tan

Honorary Treasurer

Liew Soo Wah

Honorary Secretary

Chew Loy Cheow

Committee members

Chew Heh Chwen
Dr Chook Kum Kay
Jennifer Ho
Lau Chee Tiun
Ramalingam Kasi
Dr Timothy Teoh
Yeo Chuen Eng

Registered office

130 Hougang Avenue 1
Singapore 538900

Independent Auditor

Robert Yam & Co.

SOCIETY FOR THE AGED SICK

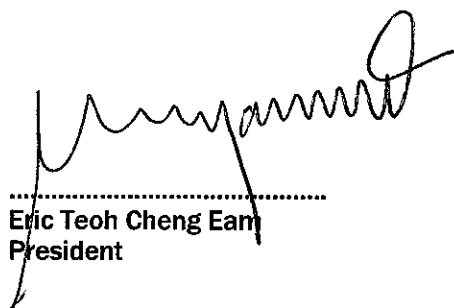
STATEMENT BY BOARD OF COMMITTEE MEMBERS

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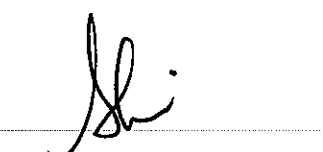
We, Eric Teoh Cheng Eam, Liew Soo Wah and Chew Loy Cheow, do hereby state that, in the opinion of the Board of Committee Members:

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in funds and reserves and statement of cash, together with the notes thereto are properly drawn up so as to present fairly, in all material respects, the state of affairs of Society for the Aged Sick (the "Society") as at 31 March 2015 and of the results, changes in funds and reserves and cash flows of the Society for the year then ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

On behalf of the Board of Committee Members,



.....
Eric Teoh Cheng Eam
President



.....
Liew Soo Wah
Honorary Treasurer



.....
Chew Loy Cheow
Honorary Secretary

Singapore

21 JUL 2015

ROBERT YAM & CO.

Chartered Accountants of Singapore
Consultants & Business Advisers



SOCIETY FOR THE AGED SICK

Independent Auditor's Report

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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 2015, 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 and fair presentation of these financial statements in accordance with the Singapore Financial Reporting Standards, the Societies Act, Chapter 311 (the "Societies Act") and the Charities Act, Chapter 37 (the "Charities Act"), and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 and fair presentation of the financial statements 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.

ROBERT YAM & CO.,

SOCIETY FOR THE AGED SICK

Independent Auditor's Report

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To the members of Society for the Aged Sick (cont'd)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards and the Charities Act so as to present, in all material respects, the state of affairs of the Society at 31 March 2015 and of the results, changes in funds and reserves and cash flows of the Society for the year ended on that date.

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 11 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

Robert Yam & Co.

Public Accountants and
Chartered Accountants
Singapore

21 July 2015

TCK_DCC/AL/rbm

SOCIETY FOR THE AGED SICK

Statement of Financial Position as at 31 March 2015

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	Note	2015 S\$	2014 S\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	11,495,029	12,901,350
Available-for-sale financial assets	6	1,532,550	1,541,450
		<u>13,027,579</u>	<u>14,442,800</u>
Current Assets			
Trade receivables	7	191,339	198,896
Other receivables	8	270,922	572,830
Cash and cash equivalents	13	17,261,594	14,547,702
		<u>17,723,855</u>	<u>15,319,428</u>
Total assets		<u>30,751,434</u> =====	<u>29,762,228</u> =====
FUNDS AND RESERVES AND LIABILITIES			
Accumulated fund		11,607,584	10,172,604
Building reserves		2,629,081	2,629,081
Compensation fund		4,896,681	4,849,394
Computerisation fund		147,559	146,133
POSB Centenary fund		3,000	3,000
R.K. Booker Memorial fund		64,264	64,585
Fair value reserve		7,800	16,700
		<u>19,355,969</u> =====	<u>17,881,497</u> =====
Total funds and reserves		<u>19,355,969</u> =====	<u>17,881,497</u> =====
Non-Current Liabilities			
Deferred building grants	9	9,784,114	10,442,683
Deferred Salary Adjustment Exercise (SAE) funding	10	608,842	342,784
		<u>10,392,956</u> =====	<u>10,785,467</u> =====
Current Liabilities			
Trade payables	11	48,723	172,962
Other payables	12	953,786	922,302
		<u>1,002,509</u> =====	<u>1,095,264</u> =====
Net current assets		<u>16,721,346</u> =====	<u>14,224,164</u> =====
Total liabilities		<u>11,395,465</u> =====	<u>11,880,731</u> =====
Net assets		<u>19,355,969</u> =====	<u>17,881,497</u> =====
Total funds and reserves and liabilities		<u>30,751,434</u> =====	<u>29,762,228</u> =====

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

SOCIETY FOR THE AGED SICK

**Statement of Comprehensive Income
for the financial year ended 31 March 2015**

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	Note	2015 S\$	2014 S\$
Income			
Donations in kind – distribution		269,222	216,899
Government subvention		6,056,066	4,757,038
Residents' consumable charges		612,552	450,895
Residents' maintenance fees		1,402,918	1,152,985
Unsolicited donations	14	617,075	791,641
Interest income		121,702	57,375
Investment interest income		58,750	58,642
Amortisation of deferred building grants	9	1,778,930	1,606,566
Community Silver Trust Fund grant for operating expenses		263,207	-
Utilisation of deferred building grants	9	-	52,349
Utilisation of deferred SAE funding	10	484,689	206,645
Miscellaneous		74,485	104,562
		<u>11,739,596</u>	<u>9,455,597</u>
Less:			
Staff cost and emoluments			
Salaries		3,064,421	2,559,953
Bonus		605,111	365,705
CPF & SDF		279,319	217,672
Foreign Workers' levy		789,627	556,762
Recruitment expenses		20,479	11,461
Other staff benefits		307,214	192,242
	15	<u>5,066,171</u>	<u>3,903,795</u>
Replacement & Maintenance expenses			
Land and buildings		62,166	83,680
Furniture & equipment		53,725	43,015
Vehicles		22,480	21,838
		<u>138,371</u>	<u>148,533</u>
Administrative expenses			
Auditor's remuneration		16,150	22,000
Allowance for impairment of trade receivables		102,141	-
Bad debts written off		22,038	-
Cleaning services		80,393	-
Communication		6,234	7,399
Depreciation of property, plant and equipment		2,137,918	1,968,894
Events		3,509	-
Fee-charitable funds		32,618	139,502
Fixed assets not capitalised		62,885	106,992
Fund raising expenses		14,726	32,219
GST expense		336,128	18,117
Insurance		20,669	14,047
Loss on disposal of property, plant and equipment		3,663	338
Newspaper/Periodicals		216	-
Occupational therapy services		42,626	48,600
Other residents benefits		239,839	31,894
Professional fees and services		179,084	128,181
Project related expenses		5,120	-

SOCIETY FOR THE AGED SICK**Statement of Comprehensive Income
for the financial year ended 31 March 2015****8**

	Note	2015 S\$	2014 S\$
Administrative expenses (cont'd)			
Refuse collection charges		26,991	19,779
Supplies and materials		1,277,194	1,107,683
Transport		611	619
Utilities		433,237	343,506
Miscellaneous		6,750	7,022
		<u>5,050,740</u>	<u>3,996,792</u>
Total Expenditure		<u>10,255,282</u>	<u>8,049,120</u>
Surplus for the year		<u>1,484,314</u>	<u>1,406,477</u>
Other comprehensive income:			
Items that maybe reclassified subsequently to profit or loss			
Fair value (loss)/gain on available-for-sale financial assets	6	(8,900)	9,950
		<u>(8,900)</u>	<u>9,950</u>
Other comprehensive income for the year		<u>(8,900)</u>	<u>9,950</u>
Total comprehensive income for the year		<u>1,475,414</u>	<u>1,416,427</u>
Transferred to:			
Accumulated fund		1,434,980	1,377,687
Compensation fund		47,287	27,592
Computerisation fund		1,426	831
R.K. Booker Memorial fund		621	367
Fair value reserve	6	(8,900)	9,950
		<u>1,475,414</u>	<u>1,416,427</u>

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

SOCIETY FOR THE AGED SICK**Statement of Changes in Funds and Reserves
for the financial year ended 31 March 2015**

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	Note	2015 S\$	2014 S\$
Accumulated fund			
Beginning of financial year		10,172,604	8,794,917
Surplus for the year		1,434,980	1,377,687
End of financial year		<u>11,607,584</u>	<u>10,172,604</u>
Building reserves			
Beginning and end of financial year		<u>2,629,081</u>	<u>2,629,081</u>
Compensation fund			
Beginning of financial year		4,849,394	4,821,802
Interest income		47,287	27,592
End of financial year		<u>4,896,681</u>	<u>4,849,394</u>
Computerisation fund			
Beginning of financial year		146,133	145,302
Interest income		1,426	831
End of financial year		<u>147,559</u>	<u>146,133</u>
POSB centenary fund			
Beginning and end of financial year		<u>3,000</u>	<u>3,000</u>
R.K. Booker memorial fund			
Beginning of financial year		64,585	64,270
Interest income		621	367
Utilised		(942)	(52)
End of financial year		<u>64,264</u>	<u>64,585</u>
Fair value reserve			
Beginning of financial year		16,700	6,750
Fair value (loss)/gain on available-for-sale financial assets	6	(8,900)	9,950
End of financial year		<u>7,800</u>	<u>16,700</u>
		<u>19,355,969</u>	<u>17,881,497</u>

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

SOCIETY FOR THE AGED SICK

**Statement of Cash Flows
for the financial year ended 31 March 2015**

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	Note	2015 S\$	2014 S\$
Cash flows from operating activities			
Surplus for the year		1,484,314	1,406,477
<u>Adjustments for:</u>			
Allowance for impairment of trade receivables		102,141	-
Amortisation of deferred building grants	9	(1,778,930)	(1,606,566)
Depreciation of property, plant and equipment	5	2,137,918	1,968,894
Donation-in-kind	5	(20,000)	(4,280)
Interest income		(121,702)	(57,375)
Investment interest income		(58,750)	(58,642)
Loss on disposal of property, plant and equipment		3,663	338
Property, plant and equipment written-off		-	741
Utilisation of government grants		(484,689)	(258,994)
Operating cash flows before changes in working capital		1,263,965	1,390,593
<u>Changes in working capital:</u>			
Trade receivables		(94,584)	(64,843)
Other receivables		345,674	(117,218)
Trade payables		(124,239)	79,941
Other payables		31,484	343,133
Government grant received for SAE funding for future operating use	10	750,747	480,442
Cash generated from operations		2,173,047	2,112,048
Interest received		77,936	44,883
Utilisation of R.K. Booker Memorial Fund		(942)	-
Net cash from operating activities		2,250,041	2,156,931
Cash flows from investing activities			
Government grant received for buildings	9	1,120,361	596,125
Interest income received from available-for-sale financial assets		58,750	58,750
Public donations received for buildings	9	-	730,287
Purchase of property, plant and equipment	5	(715,260)	(1,278,460)
Net cash from investing activities		463,851	106,702
Net increase in cash and cash equivalents		2,713,892	2,263,633
Cash and cash equivalents at beginning of year		14,547,702	12,284,069
Cash and cash equivalents at end of year	13	17,261,594	14,547,702

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 is 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 also 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 the Society for the financial year ended 31 March 2015 were authorised for issue by the Board of Committee Members.

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 2014. 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 and 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 intended 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.

Depreciation on 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 6.5 years (2014: 7.5 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:

	<u>Useful lives</u>
Furniture and equipment	- 3 - 10 years
Motor vehicles	- 5 years

Assets under construction included in leasehold building are not depreciated as these assets are 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 of purchase on sale of a financial asset

All regular way of purchases and sales of financial assets are recognised or derecognised on the trade date, that is, the date that the Society commits to purchase or sell the asset. Regular way purchases on sales are purchases or sales of financial assets that require delivery of assets with 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) 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.

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.

2. Significant accounting policies (cont'd)

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

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

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 on 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.

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.

2. Significant accounting policies (cont'd)

(g) Financial liabilities (cont'd)

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 recognised 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 Property, plant and equipment donated for use by the Society are recognised 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.

(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.

2. Significant accounting policies (cont'd)

(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.

(m) Fund

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

Accumulated Fund

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

Building reserves

Building reserves is a restricted fund, which purpose is for the renovation, maintenance and payment of repair services of the leasehold building.

Compensation fund

This fund is generated from proceeds from sale of the Society's land at Jalan Payoh Lai to the Singapore government.

2. Significant accounting policies (cont'd)

(m) Fund (cont'd)

Computerisation fund

This fund is used for the Society's IT system upgrades.

R.K. Booker Memorial fund

This fund is used for giving out scholarships and training for the Society's staff.

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.

(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.

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

(b) Key sources of assumption uncertainty (cont'd)

(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 income tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

5. Property, plant and equipment

	Leasehold buildings S\$	Furniture & equipment S\$	Motor vehicles S\$	Total S\$
2015				
Cost				
At 1 April 2014	19,846,614	1,407,185	177,139	21,430,938
Additions	380,847	283,182	71,231	735,260
Disposals	-	(8,690)	-	(8,690)
At 31 March 2015	20,227,461	1,681,677	248,370	22,157,508
Accumulated depreciation				
At 1 April 2014	7,766,378	594,911	168,299	8,529,588
Additions	1,914,717	207,232	15,969	2,137,918
Disposals	-	(5,027)	-	(5,027)
At 31 March 2015	9,681,095	797,116	184,268	10,662,479
Net book value				
At 31 March 2015	10,546,366	884,561	64,102	11,495,029
2014				
Cost				
At 1 April 2013	19,153,475	823,612	177,139	20,154,226
Additions	1,002,400	280,340	-	1,282,740
Reclassifications	(309,261)	309,261	-	-
Disposals	-	(3,068)	-	(3,068)
Written off	-	(2,960)	-	(2,960)
At 31 March 2014	19,846,614	1,407,185	177,139	21,430,938
Accumulated depreciation				
At 1 April 2013	5,947,384	458,608	158,651	6,564,643
Additions	1,818,994	140,252	9,648	1,968,894
Disposals	-	(1,730)	-	(1,730)
Written off	-	(2,219)	-	(2,219)
At 31 March 2014	7,766,378	594,911	168,299	8,529,588
Net book value				
At 31 March 2014	12,080,236	812,274	8,840	12,901,350

The leasehold building at Hougang Avenue 1 with Lot No. MK22-7209N is held in trust by a trustee of the Society.

During the financial year, the Society acquired property, plant and equipment with an aggregate cost of S\$735,260 (2014: S\$1,282,740), out of which S\$20,000 (2014: S\$4,280) was donated. The cash outflow on acquisition of property, plant and equipment amounted to S\$715,260 (2014: S\$1,278,460).

In 2014, leasehold building included an amount of S\$256,780, which relates to expenditure for renovation of the existing building that has been completed and in use during the financial year.

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Notes to the Financial Statements - 31 March 2015

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6. Available-for-sale financial assets	2015 S\$	2014 S\$
Beginning of financial year	1,541,450	1,531,500
Fair value (loss)/gain recognised in other comprehensive income	(8,900)	9,950
End of financial year	<u>1,532,550</u> =====	<u>1,541,450</u> =====
Available-for-sale financial assets are analysed as follows:		
Quoted debt securities	<u>1,532,550</u> =====	<u>1,541,450</u> =====

Quoted debt securities

Available-for-sale financial assets comprise debt securities with redemption dates on 27 October 2021, 12 January 2022 and 23 April 2027 and bear coupon rate of 3.80% - 4.15% (2014: 3.80% - 4.15%) 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.

7. Trade receivables	2015 S\$	2014 S\$
Trade receivables - residents	293,480	198,896
Less: Allowance for impairment of non-related parties	(102,141)	-
Total trade receivables, net	<u>191,339</u> =====	<u>198,896</u> =====

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:

	2015 S\$	2014 S\$
Past due:		
31 to 60 days	34,510	22,449
61 to 90 days	26,309	13,201
More than 90 days	105,370	108,713
	<u>166,189</u> =====	<u>144,363</u> =====

7. Trade receivables (cont'd)

Trade receivables that are impaired

Trade receivables that are individually determined to be impaired at the end of the reporting period and the movement in the related allowance for impairment are as follows:

	2015 S\$	2014 S\$
Gross amount	102,141	-
Less: Allowance for impairment	(102,141)	-
	<u>-</u>	<u>-</u>
	=====	=====
Movement in the allowance for impairment:		
Beginning of financial year	-	-
Allowance made	102,141	-
	<u>102,141</u>	<u>-</u>
End of financial year	<u>102,141</u>	<u>-</u>
	=====	=====

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements

8. Other receivables

	2014 S\$	2013 S\$
Accrued fixed deposit interest	93,467	49,701
Capital grants receivable from Ministry of Health (Note 9)	-	250,903
GST absorption claimable from MOH	8,770	1,182
Medifund subsidy receivable	122,948	144,820
Refundable deposits	27,690	111,958
Sundry receivables	1,460	3,589
	<u>254,335</u>	<u>562,153</u>
Financial assets (Note 17)		
Non-refundable deposits	6,290	-
Prepayments	10,297	10,677
	<u>16,587</u>	<u>10,677</u>
Non-financial assets		
	<u>16,587</u>	<u>10,677</u>
Total other receivables	<u>270,922</u>	<u>572,830</u>
	=====	=====

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9. Deferred building grants	2015	2014
	S\$	S\$
Gross:		
Beginning of financial year	16,396,556	14,871,590
<u>Capital grants from Ministry of Health</u>		
Grants received during the year	1,120,361	596,125
Capital grants receivable from Government (Note 8)	-	250,903
Utilisation of deferred building grants	-	(52,349)
	<u>17,516,917</u>	<u>794,679</u>
 <u>Public donations</u>		
Public donations received during the year	-	730,287
	<u>17,516,917</u>	<u>16,396,556</u>
 <u>Accumulated amortisation:</u>		
Beginning of financial year	(5,953,873)	(4,347,307)
Amortisation for the year	(1,778,930)	(1,606,566)
	<u>(7,732,803)</u>	<u>(5,953,873)</u>
 End of financial year	<u>9,784,114</u>	<u>10,442,683</u>
Net carrying amount	=====	=====

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

Grants and public donations received and receivable during the financial year amounting to S\$1,120,361 (2014: S\$1,577,315) are in respect of a new extension building, which has been completed and in use during the financial year.

10. Deferred Salary Adjustment Exercise (SAE) funding	2015	2014
	S\$	S\$
<u>SAE fund received from Ministry of Health</u>		
Beginning of financial year	342,784	68,987
Grants received during the year	750,747	480,442
Utilisation for staff payment	(484,689)	(206,645)
	<u>608,842</u>	<u>342,784</u>
	=====	=====

These are Salary Adjustment Exercise funding received from the Ministry of Health (MOH) for the purpose to narrow the salary gap between support care staff in public acute sector and Immediate and Long-Term Care (ILTC) services sector.

11. Trade payables	2015	2014
	S\$	S\$
Non-related parties	48,723	172,962
	=====	=====

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

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12. Other payables	2015	2014
	S\$	S\$
Accruals	246,086	210,529
Foreign workers' bonus	72,132	49,926
Residents' funds held on behalf	241,714	269,966
Residents' maintenance deposits	39,510	38,278
Retention sum payable	254,506	239,085
Sundry payables	64,256	83,898
	<hr/>	<hr/>
Financial liabilities (Note 17)	918,204	891,682
	<hr/>	<hr/>
GST payables	29,389	21,285
Non refundable payments received in advance	6,193	9,335
	<hr/>	<hr/>
Non-financial liabilities	35,582	30,620
	<hr/>	<hr/>
	953,786	922,302
	=====	=====

Sundry payables are non-trade in nature, unsecured, non-interest bearing and are normally settled on 30 - 60 days' terms.

13. Cash and cash equivalents	2015	2014
	S\$	S\$
Cash on hand	7,000	7,000
Cash at bank	5,845,474	5,192,780
Fixed deposits	11,409,120	9,347,922
	<hr/>	<hr/>
	17,261,594	14,547,702
	=====	=====

Fixed deposits placed with financial institutions mature within 0.5 to 12 months (2014: within 3 to 21 months) from the end of the reporting period. The interest rates of the fixed deposits at the end of the financial year were 1.00% to 1.58% (2014: 0.35% to 1.11%) per annum.

14. Donations with tax-exempt receipts issued

Included in unsolicited donations are donations for which tax-exempt receipts have issued amounting to S\$518,878 (2014: S\$547,557).

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15. Staff costs and emoluments	2015	2014
	S\$	S\$
Salaries	3,064,421	2,559,953
Bonus	605,111	365,705
CPF contribution	279,319	217,672
Foreign workers' levy	779,760	548,937
Recruitment expenses	20,479	11,461
SDL	9,867	7,825
Other staff benefits	307,214	192,242
	<u>5,066,171</u>	<u>3,903,795</u>
	=====	=====
 Average number of employees	 233	 187
	=====	=====

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

	2015	2014
	S\$	S\$
Salaries and bonus	209,864	256,692
CPF contribution	27,684	36,895
Leave pay	-	1,187
	<u>325,284</u>	<u>294,774</u>
	=====	=====

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:

	2015	2014
	S\$	S\$
Above S\$50,000 to below S\$100,000	<u>2</u>	<u>3</u>
	=====	=====

16. Capital commitments

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

	2015	2014
	S\$	S\$
Capital commitments in respect of property, plant and equipment	<u>-</u>	<u>396,232</u>
	=====	=====

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	2015 S\$	2014 S\$
<u>Financial assets</u>			
Available-for-sale financial assets	6	1,532,550	1,541,450
Loan and receivables:			
Trade receivables	7	191,339	198,896
Other receivables	8	254,335	562,153
Cash and cash equivalents	13	17,261,594	14,547,702
		<u>19,239,818</u>	<u>16,850,201</u>
		=====	=====
<u>Financial liabilities</u>			
Financial liabilities measured at amortised cost:			
Trade payables	11	48,723	172,962
Other payables	12	918,204	891,682
		<u>966,927</u>	<u>1,064,644</u>
		=====	=====

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:

(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 and other receivables and cash and cash equivalents. For trade and other 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 recognised in the statement of financial position.

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

18. Financial risk management (cont'd)

(a) Credit risk

Financial assets that are neither past due nor impaired

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

Cash and cash equivalents 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 either past due or impaired is disclosed in Note 7 (Trade receivables).

(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 (2014: 10) basis points higher/lower with all variables held constant, the Society's surplus would have been S\$12,962 (2014: S\$10,889) 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.

If price for equity securities listed in Singapore had changed by 6% (2014: 12%) 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	91,953	184,974
- Decreased by	(91,953)	(184,974)
	=====	=====

(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.

18. Financial risk management (cont'd)

(d) Liquidity risk (cont'd)

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

	1 year or less S\$	Total S\$
<u>2015</u>		
Trade payables	48,723	48,723
Other payables	953,786	953,786
	<u>1,002,509</u> =====	<u>1,002,509</u> =====
<u>2014</u>		
Trade payables	172,962	172,962
Other payables	922,302	922,302
	<u>1,095,264</u> =====	<u>1,095,264</u> =====

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).

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<u>As 31 March 2015</u>				
<u>Financial assets</u>				
<u>Available-for-sale financial assets</u>				
- Quoted debt securities	1,532,550	-	-	1,532,550
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
<u>As 31 March 2014</u>				
<u>Financial assets</u>				
<u>Available-for-sale financial assets</u>				
- Quoted debt securities	1,541,450	-	-	1,541,450
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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

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 2015 and 2014.

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

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 2014 and 2015.

21. New or revised accounting standards and interpretations

	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
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

21. New or revised accounting standards and interpretations (cont'd)

	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 114	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27 <i>Separate Financial Statements</i>	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38 <i>Property, Plant and Equipment</i>	Clarifying of Acceptable Methods of Depreciation and Amortisation	
Amendments to FRS 16 and FRS 41 <i>Property, Plant and Equipment Intangible Assets Agriculture</i>	Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111 <i>Joint Arrangements</i>	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 and FRS 28 <i>Consolidated Financial Statements Investments in Associate Joint Venture</i>	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	1 January 2016
FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Changes in Methods of Disposal	1 January 2016
FRS 107 <i>Financial Instruments: Disclosures</i>	Servicing Contracts Applicability of the Amendments to FRS 107 to Condensed Interim Financial Statements	1 January 2016
FRS 19 <i>Employee Benefits</i>	Discount Rate: Regional Market Issue	1 January 2016
FRS 34 <i>Interim Financial Reporting</i>	Disclosure of Information 'Elsewhere in the Interim Financial Report'	1 January 2016
FRS 115	Revenue from Contracts with Customers Illustrative Examples	1 January 2017
FRS 109	Financial Instruments, Illustrative Examples, Implementation Guidance, Amendments to Guidance on Other Standards	1 January 2018

21. New or revised accounting standards and interpretations (cont'd)

- * 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.