



annual report

2017/2018

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Charity objectives and information

About SAS

Society for the Aged Sick (SAS) is a non-profit nursing home that provides long-term residential and respite care services for the elderly, especially the less privileged. With a team of committed healthcare professionals and caregivers, we believe in adding years of quality life to our residents through holistic caregiving.

Vision

Adding years of quality life to the elderly

Mission

To provide quality care to the elderly and help them lead a meaningful and enriching life.

NAME

Society for the Aged Sick

REGISTERED ADDRESS

**130 Hougang Avenue 1,
Singapore 538900**

GOVERNING INSTRUMENT

Constitution and Rules

SINGAPORE UNIQUE ENTITY NUMBER

S68SS0022J

CHARITY REGISTRATION NUMBER

0029

CHARITY REGISTRATION DATE

6 February 1984

IPC NUMBER

HEF 0041/G

IPC STATUS

**1 September 2015 to
31 August 2018 (latest renewal
to 31 August 2021)**

MAIN BANKER

Standard Chartered Bank

EXTERNAL AUDITOR

RSM Chio Lim LLP

CUSTODIAN TRUSTEE FOR LEASEHOLD LAND AT
REGISTERED ADDRESS

**Singapore Trust Company
Pte Ltd**



President's report



Eric Teoh Cheng Eam
President
Society for the Aged Sick

2018 marks the 50th year of our Nursing Home. For the past 50 years, we have seen vast changes to the way how our nursing home is being managed. It has been a long way, and we take delight in what we have achieved thus far.

I believe we are all well aware that our nation is entering and embracing a rapidly ageing population. With a clear vision of what the future elderly landscape will be, our Home has been taking steps to keep up with the demand and quality of our eldercare services, with the constant evolution of the roles and expectations of our staff.

Acknowledging that our staff will need to acquire new skills, our Nursing department has taken conscious efforts in building the capability of our nursing staff through educating and equipping them with the necessary knowledge and skill-sets. This has helped our nursing staff to increase their confidence level in performing their day-to-day job and reducing the number of emergency cases within the Home significantly. Staff' work morale and work satisfaction have inevitably increased too.

To further improve the well-being of our staff, we are also diligently monitoring the development of our upcoming extension arm — a four-storey building that will provide dining, recreational and accommodation for our 180 stay-in staff.

At SAS, we never lose sight of our vision of adding years of quality life to our residents. The mission of helping the aged sick and destitute to lead a meaningful and enriching life should always be etched on the heart of each and every of our staff. I am heartened to see more programmes and activities for our residents in the past one year, initiated by the different departments in our Home. I am confident to say that we, as a Home, are progressing with time.

As we continue to seek to improve the Home, thinking of ways to leverage technology to innovate and chart new frontiers in our eldercare delivery, I would like to thank all the volunteers, donors and partners who have played a part in supporting the Home all these years. Without them, we will never be able to be where we are right now, celebrating our 50 years of existence.

With a community of like-minded people, I look forward to see more good works happening in SAS. Together, we can make a difference to the less-privileged elderly in our society.

Lastly, I would like to thank all my EXCO members, management and staff of SAS for their unwavering support and contributions in making SAS a more desirable place for our residents.

Executive Committee 2017–2018

President

Mr Eric Teoh Cheng Eam
Company Director (Leisure)

Deputy President

Dr Chook Kum Kay
Medical Doctor

Deputy President

Dr Timothy Teoh Chi-Chan
Medical Doctor

Honorary Secretary

Ms Sharmini Chitran
Advocate & Solicitor

Honorary Treasurer

Mr Chew Loy Cheow
Consultant (Financial Markets)

Honorary Assistant Treasurer

Mr Tan Puay Lit
Director (Asset Management)

Committee Member

Dr Tan Kong Chin
Medical Doctor

Committee Member

Mr Liew Shew Choi
Retiree

Committee Member

Mrs Liew Soo Wah
Retiree

Committee Member

Mr Yeo Chuen Eng
Private Banker

Committee Member

Dr Richard Tan Han Shing
Businessman

Committee Member

Mr Lim Felix Eugene
Head of IT
(Banking & Finance)

Committee Member

Ms Wendy Soh
Finance Director
*Appointed with effect from
11 September 2017

Sub-Committees

2017–2018

Audit

Chairman: Ms Wendy Soh (Committee Member)
*Appointed with effect from 11 September 2017

Finance

Chairman: Mr Chew Loy Cheow (Honorary Treasurer)
Member: Mr Tan Puay Lit (Honorary Assistant Treasurer)

Fundraising

Chairman: Mr Eric Teoh Cheng Eam (President)

Home Management

Chairman: Dr Timothy Teoh Chi-Chan (Deputy President)

Human Resource

Chairman: Dr Chook Kum Kay (Deputy President)

Investment

Chairman: Mr Chew Loy Cheow (Honorary Treasurer)
Member: Mr Yeo Chuen Eng (Committee Member)

Procurement

Chairman: Dr Richard Tan Hang Shing (Committee Member)

Medifund

Appointment approved by Ministry of Health for the term of 1 July 2015 to 30 June 2019

Chairman: Dr Timothy Teoh Chi-Chan (Deputy President)
Member: Ms Liew Yan Yan Melissa
Member: Mr Jerry Soh Chin Siang

Governance Statement

GOVERNANCE EVALUATION CHECKLIST

The Society's Governance Evaluation Checklist in relation to the financial year under review may be viewed at www.charities.gov.sg. In addition, the following supplements the Governance Evaluation Checklist.

EXECUTIVE COMMITTEE (EXCO)

The Executive Committee's (EXCO) role is to provide strategic direction and oversight of the Society's functions and goals, and to steer the Society towards fulfilling its vision and mission through good governance. As part of its role, the EXCO also approves budgets for each financial year, and monitors the expenditure against the approved budget at every bi-monthly EXCO meeting.

In respect of the financial year under review, the EXCO comprised of 13 members. They include businessmen and professionals, and together they bring multiple skill sets and relevant competencies to assist the Society. The appointment and composition of the EXCO is in accordance with the constitution of the Society.

Led by President Mr Eric Teoh Cheng Eam, the EXCO is committed to upholding the vision and mission of the Society, and representing the interests of the Society to the best of its abilities. It accepts its role without remuneration, and does not accept personal favours or gifts from any interest groups so as to maintain the integrity of serving for public trust and community good.

The Deputy Chief Operating Officer and senior management regularly consult with the EXCO and the Sub Committees for advice and direction.

Under the current constitution of the Society, EXCO members are elected at alternate Annual General Meetings and to hold office for two-year terms. After which they are eligible for re-election except that the

Treasurer is not eligible for re-election as Treasurer for a consecutive term, and the President is not eligible for re-election as President beyond three consecutive terms.

The EXCO held a total of five (5) meetings during the financial year under review.

CONFLICTS POLICY

The Society has a policy regarding conflicts of interest which requires (among other things) prompt declaration of any actual or potential conflict of interest in respect of any proposed transaction involving the Society and exclusion from discussions and decision making on the proposed transaction. The policy further provides that the proposed transaction may only be undertaken if there is a competitive bid or comparable valuation and the EXCO determines that the proposed transaction is in the best interests of the Society.

In respect of the financial year under review, each member of the EXCO, the most senior management staff, and the staff involved in the purchase of goods and services for the Society declared that there were no transactions of the Society in which he or she had a conflict or other personal interest.

RESERVES POLICY

The Society's reserves policy is aimed at prudent management of its resources and to meet unexpected expenditure or contingencies and to cover for delays between spending and receipt of donations or grants. The level of reserves as at the end of the financial year under review is disclosed in the Society's audited financial statements for that year.

Part of the Society's reserves are placed with financial institutions and are managed in accordance with the Society's investment policy which is approved by the EXCO. The EXCO reviews the level of reserves regularly for the Society's continuing obligations.

Organisational Chart and Staffing



Departments' Overview

- FINANCE & ADMINISTRATION**

Finance & Administration oversees five key support functions for the SAS Home: Finance, Administration, Human Resource, Procurement and Corporate & Community Relations.

OPERATIONS

The operations team ensures that the Home is safe and secure for the staff and residents by having security measures in place. It is also in charge of the overall maintenance of the building, from cleanliness to the meals preparation for the staff and residents. It helms the development and construction of the upcoming 4-storey building, slated to complete by end December 2018.

MEDICAL SOCIAL SERVICES

The department looks into the admission and discharge of residents, provides counselling support and administers financial assistance.

REHABILITATION

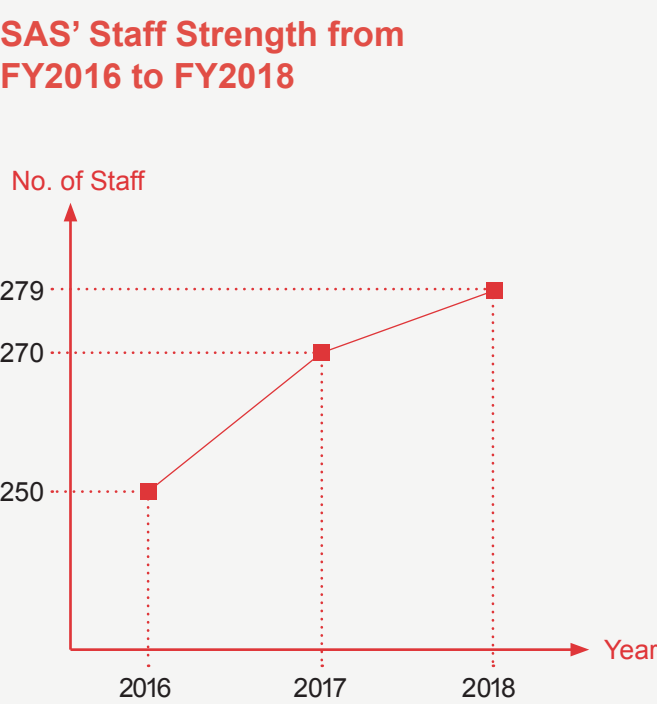
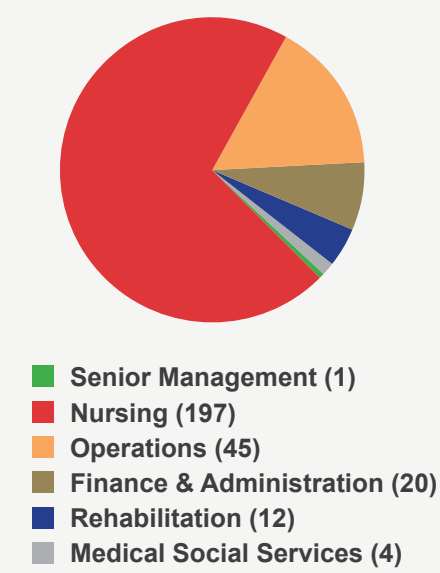
The rehabilitation team adopts a person-centred care approach by assessing residents' needs and preferences and coming up with an appropriate individual care plan for the residents to help them maximise their functional potential.

NURSING

The nursing department is at the forefront and leads the way in providing holistic and quality care for the residents in a comfortable and secure environment.

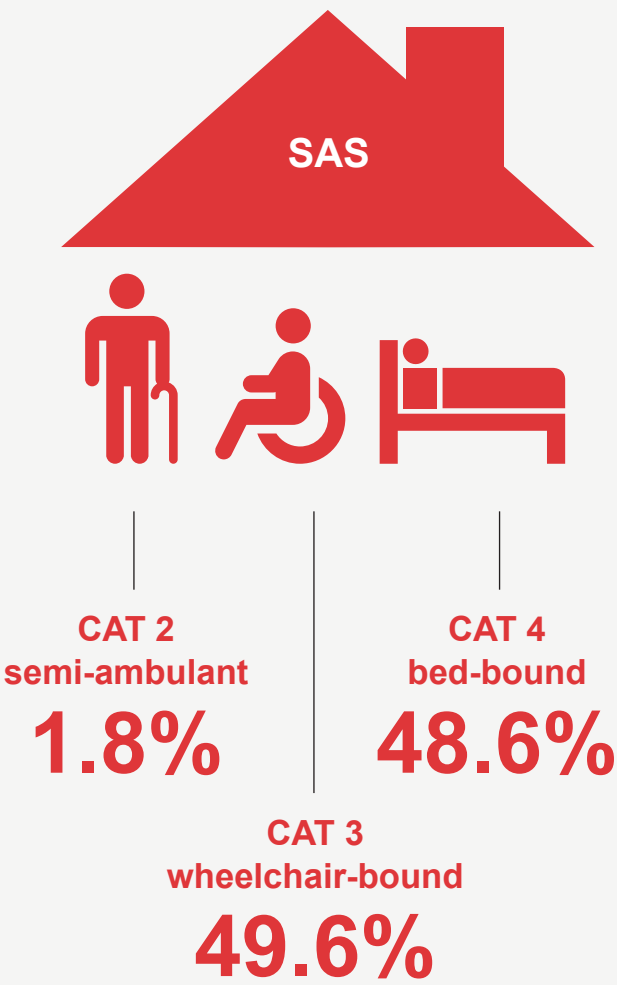


As at 31 March 2018, the Society has 279 staff, made up of:



Nursing home occupancy rate
as at 31 March 2018
(figure excludes respite cases)

95.8%



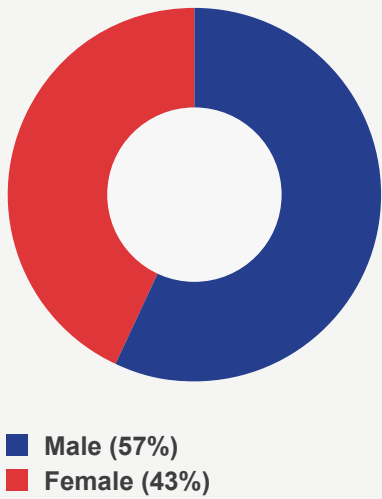
Residents' Mobility Category

Residents receiving subsidies
as at 31 March 2018

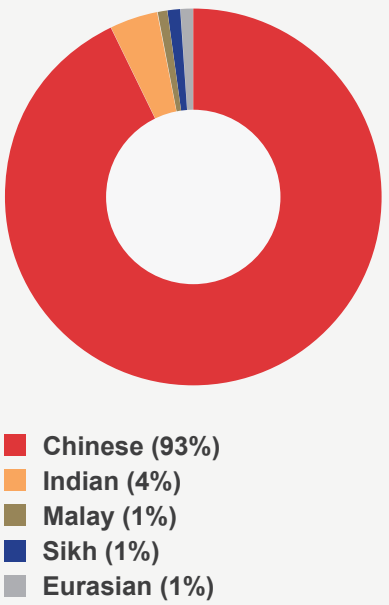


Residents' Profile

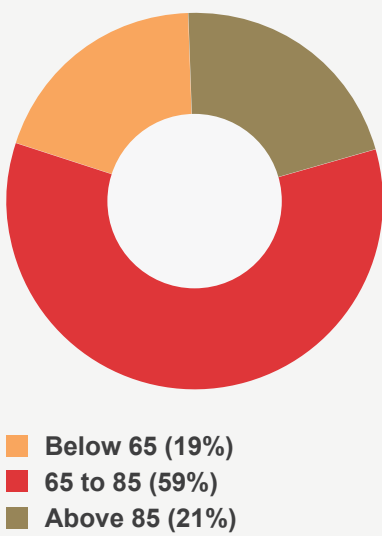
Gender



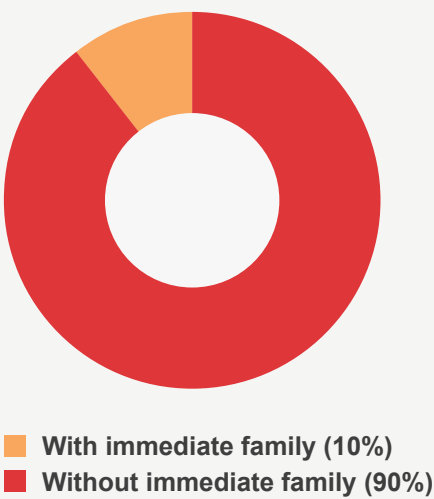
Race



Age Group



Immediate Families



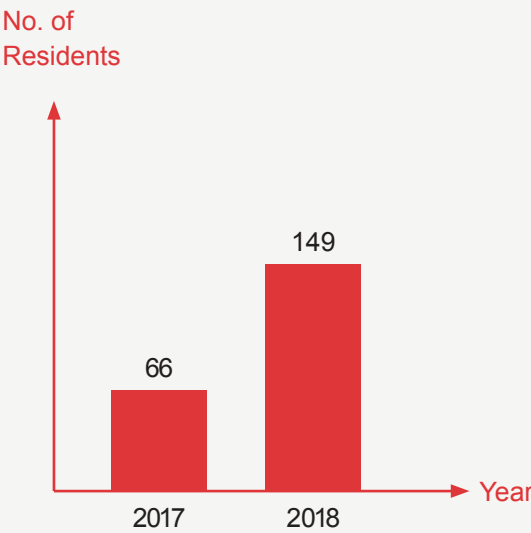
Residents' Activities

Group therapy

8
types

1. Mahjong
2. Reminiscence
3. Art & Craft
4. Karaoke
5. Cooking
6. Community mobility and integration
7. Gardening
8. Wheelchair yoga

Average monthly group therapy attendance



Collaboration with Tan Tock Seng Hospital (TTSH) and Agency of Integrated Care (AIC) on three care bundles

SAS embarked on the three care bundles in May 2017. They are:

- a. Pneumonia care bundle
- b. Urinary Tract Infection care bundle
- c. Fall Prevention care bundle

Through these bundles, nursing staff are upskilled and this empowers them to provide the necessary care and attention to the residents. All healthcare staff have received training in pneumonia care handling, and this has helped us to reduce more than 50% of emergency visits and admissions to hospitals. Urinary Tract Infection and Fall prevention care bundles are still ongoing.

Hand hygiene project

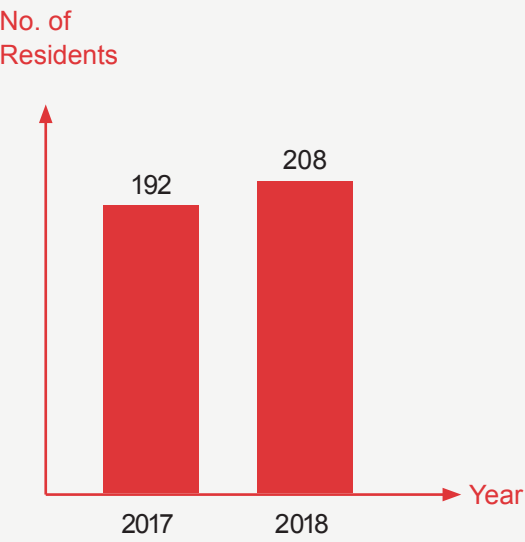
Collaborating with AIC since January 2017, the project aims to equip all healthcare staff with the knowledge and skills in hand hygiene techniques and practices. This provides safer care to residents by reducing possibilities of cross-contamination and infection through hand contact.

To enhance the learning experience, a poster competition was opened to the nursing staff where they communicated what they have learnt through a poster.

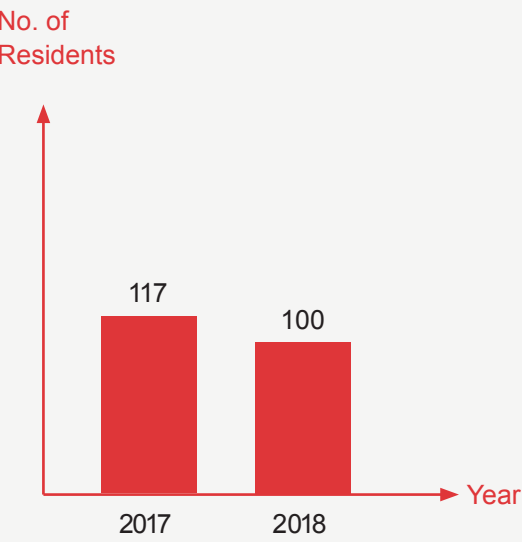
Tele-med consultation project with Institute of Mental Health (IMH)

To provide better support to residents with mental disorder and/or behavioral problems, SAS consults IMH psychiatrist on a regular basis. With proper guidance, the staff are able to manage the residents with confidence.

Average monthly gym attendance



Average monthly bedside therapy



Project/Programme Highlights

Project Makan

In September 2017, the team initiated the project, *Project Makan*. Recognising that residents long for simple hawker food, e.g. Chicken Rice, Char Kway Teow, Laksa, the project aims to fulfil that desire, and deliver hawker food to our residents once a month — a break from the routine in-house meals that they are receiving daily.

Therapeutic gardening

Therapeutic gardening is often used for rehabilitation of lost skills, memory improvement, balance and muscle coordination, stress management and social connection among the elderly. Since January 2017, the rehabilitation department has implemented this therapy to the residents. The response is encouraging; seeing residents taking the passion further by setting up their private ‘garden’.



Spiritual Care and Support

Besides providing medical care to the residents, it is also important to take care of their spiritual health. Residents of different faith and religions are given the opportunity to visit their respective places of worship every month using our in-house transport. Recognising the limitations of relying on our own transport vehicles, religious worships are also being organised and held in SAS so that more residents can join in these worship sessions.

Community mobility and integration — Work Rehabilitation Therapy

Commercial work was introduced to the residents with the aim of empowering them and giving them an opportunity to integrate into the culture of a community — an environment where everyone works and earns an income. Residents who are interested to take part in the programme can be seen wheeling themselves every morning to our rehabilitation centre to start their working day. Residents will be paid for the work that they have done.



Intergenerational Project

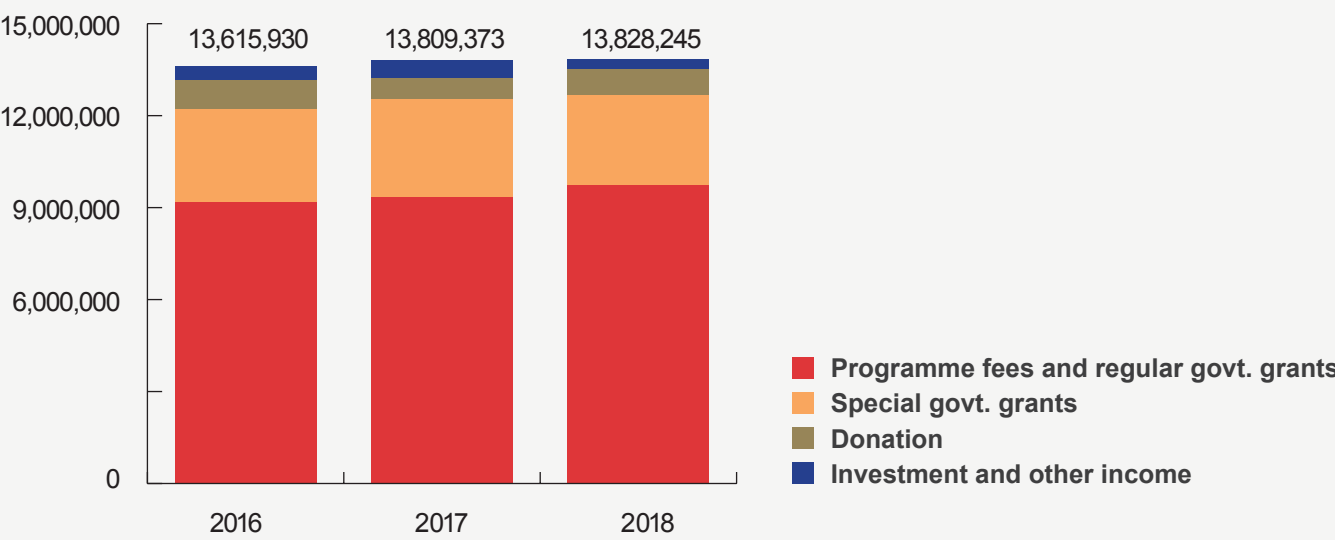
In collaboration with AIC and PCF Sparkletots Preschool, a series of programmes were planned by the schools for our residents to encourage intergenerational interactions. Research has shown that these interactions can have great benefits for both generations, with children having a better sense of who they are and where they have come from and the elderly possessing a more positive attitude towards their lives, resulting in overall improvements in health. It is a privilege to be part of this collaboration as we witness great response from the elderly. The presence of the children has definitely brought smiles to the residents here.

Wheelchair Yoga

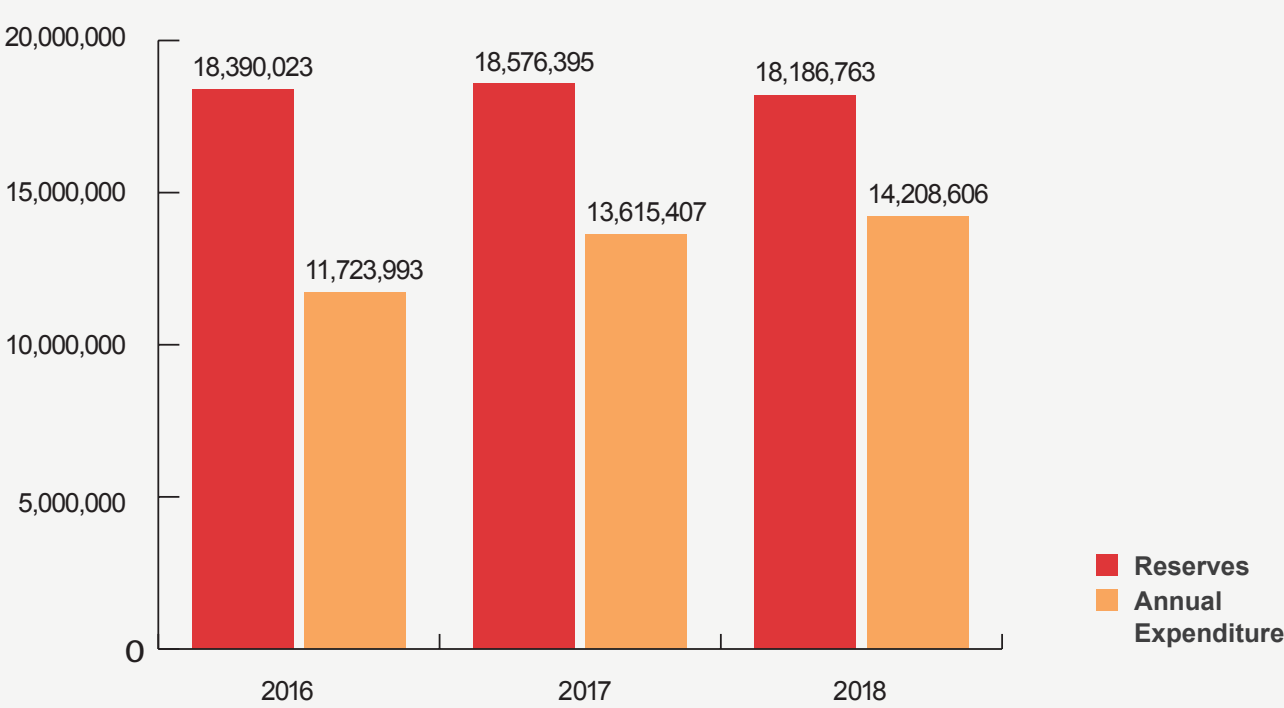
Singlehandedly run by volunteers with minimal support from SAS staff, this activity offers residents a good time of stretching and breathing exercises. Yoga has been known to improve overall health. It is equally beneficial to elderly with mobility issues, making it an appropriate activity for our residents.

Financial Highlights

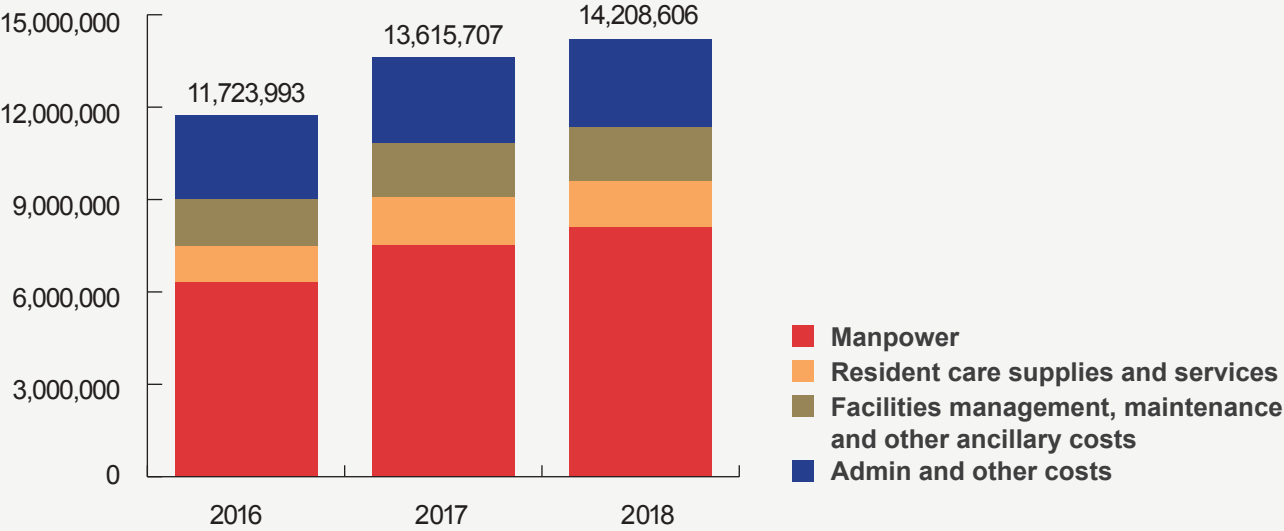
Income



Ratio of Reserves to Annual Expenditure



Expenditure



Total assets held by the Society amount to \$30,271,158 as at 31 March 2018, of which

(i) \$6,050,524 (20%) are held in the form of property, plant and equipment.

These include the leasehold building at 130 Hougang Avenue 1 where the nursing home resides, fleet of vehicles owned by the Society for ferrying residents to the polyclinics and hospitals for outpatient appointments, as well as furniture and equipment that support the nursing home operations.

(ii) \$23,029,261 (76%) are held in the form of cash and fixed deposits.

Of this \$2,866,648 is cash under restricted funds and \$2,831,044 is cash restricted in use. The balance of \$17,331,569 is available for general use by the Home.

The Society’s assets are held for the purpose of meeting its charitable objectives.

As at 31 March 2018, the Society has capital commitments amounting to \$3,128,860 pertaining to the construction of a 4-storey annex building providing staff and storage facilities. The construction commenced on 6 February 2018 and is estimated to complete at the end of 2018.

In the next financial year, we will be embarking on the dementia-friendly improvement works programme which is partially funded by the Ministry of Health. The programme seeks to modify our facilities to make them safer and more therapeutic for residents with dementia staying in our Home, which in turn allow us to provide better care for these patients.

The Society’s original lease of its premises at Hougang Avenue 1 was for a 30-year term expiring on 15 September 2021. On 31 August 2018, the Society entered into a fresh 30-year lease and made an aggregate payment of \$6,719,670 to the Singapore Land Authority for the lease renewal premium, 7% GST and the fee for issuance of the new certificate of title.

Volunteers

Upclose with some of SAS volunteers



“...I found myself to be very blessed when compared to the less fortunate people.”

Tan Yu Ren
27 years old
Police Officer

I first came across SAS in July 2016 when my then-girlfriend and I was doing community service work with the Singapore Institute of Technology (SIT). At that time, the staff at SAS was recruiting students to volunteer at SAS. As I used to collaborate with the Ministry of Social and Family Development (MSF) at work, I found myself to be very blessed when compared to the less fortunate people.

Coming from a well-to-do family, I hope to contribute by engaging more with the elderly at SAS. Together with my girlfriend, we began as regular volunteers when SAS just started out the coffeeshop outing for residents on every last Saturday of every month. During the coffeeshop outing, my role is to wheel the residents out to the coffeeshop and buy food for them to eat. I also try to keep residents' company by engaging in a consensual conversation with them. Nevertheless, I do avoid touchy or sensitive topics such as asking them about their family, etc.

The reason for me to keep volunteering myself at the SAS is because of the fruitful and meaningful time spent engaging with the elderly. Each time after the coffeeshop outing, I feel satisfied that I have contributed a little towards making the residents happy. Though I do acknowledge that elderly residents tend not to express their feelings upfront, I believed that they have sincerely appreciated my efforts in keeping them well-accompanied.

Coincidentally, my cousin, Jonathan Tan, is the Head of Rehabilitation at SAS. Occasionally, we do share with one another our experiences working with the elderly. As our grandmother is 91 years old this year, the experiences at SAS really helps a lot.

I think that the volunteering landscape is rather small and not many people is inclined to taking their time out to volunteer, especially the younger generation. To tackle this issue, charity organisations can collaborate more with schools for students to take on different volunteering work. This allows students to have a general exposure and a basic interaction with other people who are considered less fortunate as compared to them.

Tell us more about yourself...

I am working as a police officer. I joined the Singapore Police Force in 2012 and continued furthering my studies in 2015. I have since gone back to work in May 2018 this year and because of my shift work, I have missed the last couple of the coffeeshop outings. During my off-days, I spend time with my fiancée by cooping up at home and watching tv serials. When our off-days do not coincide, I will exercise by going for evening runs. I would describe myself as an adventurous person who loves to seek new challenges.



Paul Sim
27 years old
Dentist

“Monetary donations by those who are financially-able go a long way to equip SAS with the adequate resources to run efficiently. There is much truth in the Chinese saying that goes, “If you have money, contribute money. If you have strength, contribute effort.”

When did you start volunteering at SAS? and how frequent?

My volunteering journey at SAS started seven years ago when I was serving my National Service (NS) in 2011. NS sparked off the idea of serving the nation in an abstract sense, and naturally led to an exploration of ways to engage the community on-the-ground. I started committing every Saturday morning as a way to spend my weekends meaningfully out of camp to better understand SAS, the residents and to find my place as a volunteer there.

Why did you choose to volunteer at SAS?

The “silver tsunami” was a hot topic at that period and I wanted to play an active part to address this social issue. Interacting with the elderly was not foreign to me as I had worked with a hospice for a Service-Learning project prior in secondary school. SAS’ aims of providing quality care to the aged sick and destitute, as well as to help these individuals lead meaningful and enriching lives resonated with me. It helped that SAS is a stone’s throw away from my house. Convenience soon grew into habitual visits and I experienced a different kind of “backyard syndrome” when I was hooked. The hospitality of the staff, both in the corporate office and in the wards, eased me into the Home and I felt comfortable serving there.

What volunteering role are you assuming at SAS?

I started my volunteering journey at SAS as a Befriender and this remains a significant part of my involvement. Despite the initial doubts over a generation gap as a then-nineteen year old, interacting with the elderly became rewarding with their treasure chests of life experiences. I have also assisted the Health Therapists in rehabilitating residents during physiotherapy sessions through simple functional exercises.

As I progressed to university studies as a Dentistry undergraduate, I was humbled to be able to fabricate dentures for some of the residents as part of my course requirements after earning their trust. After graduation and having been formally registered as a dentist, I am fortunate to give back by providing dental screenings and basic dental treatment for residents at the in-house dental clinic. I am fortunate to serve in this capacity with my sister, Karen- who also happens to be a dentist- to value add to the residents’ oral health.

Volunteers

Upclose with some of SAS volunteers



As a member of the Singapore Dental Association (SDA) Welfare Committee, I helped to organise the SDA Corporate Social Responsibility (CSR) Outreach Programme 2017 to SAS. The NUS Dentistry freshmen batch and SDA Council Members engaged SAS residents on a Sunday afternoon through karaoke medleys, Bingo and hearty conversations. The freshmen were also brought around the nursing home wards to observe the daily living habits and care of the elderly residents. The dental clinic was a visit feature, providing an opportunity for SDA Council Members to share volunteering anecdotes to inspire the students beyond the classroom. Through SDA and the generosity of individual SDA members, a total of \$26,588 was raised for SAS. The trip ended on a hopeful note, as it reminded one freshman “of what working in the healthcare profession entails, which is improving people’s lives regardless of their background.”

What interests you most about volunteer work here?

The residents’ life stories are a constant source of amusement, self-reflection and encouragement. Their stories range from the jocular, like a particular Auntie’s snake-catching exploits in her youth. I was also impressed by a particular resident’s love for drawing

and colouring as she paraded her masterpieces around her bed. Others are poignant, like how Auntie R was raised in a wealthy family but dwindled finances and family tussles meant she was later abandoned. Her story triggered me to squint at my sense of self-entitlement. As compared to the euphoria of episodic volunteering, interacting with the elderly has also quietly nurtured me and evolved old perspectives of patience and filial piety, as I observe family members of the residents visiting them, often with comfort food and engaging in heartfelt conversations.

I also thoroughly enjoy assisting in the residents’ rehabilitating process in the therapy rooms, as this is where I witness them come to life. Where some are otherwise in a perpetual resting state in their wards, many morph into determined and competitive individuals in trying to finish their exercise regimes. It is amazing to see active ageing literally in play.

What would you consider an ideal volunteer role? (for yourself or for others)

An ideal volunteer role matches a volunteer’s skill and interest to meet the needs of the organisation and its beneficiaries. There is value-added if a volunteer can contribute a skill to the organisation. For example, a

barber may contribute haircutting services to allow the residents to feel neat and fresh.

Monetary donations by those who are financially-able go a long way to equip SAS with the adequate resources to run efficiently. There is much truth in the Chinese saying that goes, “If you have money, contribute money. If you have strength, contribute effort”. That said, there is always value for such individuals to serve on-the-ground to juxtapose real lives against a faceless beneficiary.

An ideal volunteer role also depends on how much the individual is willing to commit and the pace which he sets for himself, because the fruits of volunteering are borne in the long term. Initially, the passionate volunteer may have their own creative ideas but it is through patient action through time that he may fine-tune their service to make it more relevant to the needs of the beneficiary.

Are there any challenges you face as a volunteer?

Volunteering at a nursing home entails its unique set of challenges. In my initial visits to SAS, I

encountered a sensory assault- the bawling of those with dementia, drooling of stroke victims and perfusion of that ‘geriatric smell’. A volunteer will soon grow accustomed to these superficialities as part-and-parcel of a nursing home and look beyond that.

Language- specifically the lack of dialect- can be a barrier to interacting with the elderly at a greater depth. Brushing up basic dialect phrases can help bridge this gap. Despite this, residents can sense a volunteer’s genuine care through their body language despite limitations in conversation and a bond can still be forged.

At a deeper level, the experiences mould a familiarity with morbidity- sometimes even mortality. While not all residents have terminal illnesses unlike at a hospice, a sizeable proportion presents with multiple medical conditions, often part of the ‘Giants of Geriatrics’- incontinence, immobility, instability and intellectual impairment.

I was confronted by the stark eventuality of old age through Auntie C, an affable lady whom I counted as



Dr Terence Jee handing over the cheque donation to SAS Deputy Chief Operating Officer, Ms Kate Koh

Volunteers

Upclose with some of SAS volunteers



one of my “favourite” residents, whom I even made dentures for during my undergraduate days. Her first signs of failing health rendered her incapable of heading down to the dining hall for meal-times, robbing her of an important source of fellowship. She was eventually diagnosed with acute leukaemia, declined treatment and ultimately passed on. Witnessing a resident’s health deteriorate is always trying, but it never prepares one for the end. To feel that I had played a small part in her life through our many conversations together was a gentle consolation.

What inspires and motivates you to continue volunteering?

What brings me back through the years are the genuine friendships and partnership forged with residents and nursing home staff. Every thunderous

“Ah Boy!” that greets me by the residents each time I visit makes the trip all the more worthwhile. The SAS staff- many of whom hail from regional countries- are an inspiration through their efforts to better care for the residents beyond nursing home SOPs. Fancy a Myanmar nurse picking up casual Hokkien to communicate with an Auntie! They have inspired me to better communicate with my patients in my day job.

Meeting like-minded volunteer groups who serve the elderly in different ways is also energising. For instance, I joined members from the Rotary Club of Singapore-West in Kopi Friends, a programme designed by SAS for volunteers to bond with residents over food at a nearby hawker centre. As a member of Paya Lebar Chinese Methodist Church, I was pleased to joined in some of their outreach activities to SAS in the past year. Bonding with fellow healthcare

volunteers and in-house physicians during SAS’ 50th Anniversary celebrations in 2018 also reinforced the camaraderie.

Above all, there is immense joy in seeing residents age actively with fierce autonomy, despite any fears that some may harbour during their silver years. Like the determined Uncle who pushes himself around in his wheelchair or the Granny who folds napkins for her table-mates during lunch time. Especially Auntie C, who exercised her freedom of choice to receive medical treatment for a daunting condition, and made the brave decision to ultimately stop intervention altogether.

To be part of a larger community that helps empower our elderly to “remain the writers of their own story”,

as Author Atul Gawande elegantly describes, has been most humbling.

Do you share your volunteering experience with your friends/colleagues/relatives etc? and why?

In the age of social media, I do share my experiences and takeaways on such platforms. It is heartening when friends or family enquire genuinely about my experiences there. I have also written to and have letters published in The Straits Times Forum regarding volunteerism over the years. The content of these letters is heavily based on my experiences at SAS. I believe that awareness and promotion of volunteerism is part of the process to recruit fresh blood into the volunteering ranks and to promote a culture where people look out and care more for each other.

What do you think of the volunteering landscape in Singapore?

It is challenging to volunteer in Singapore not because there are a lack of opportunities, but because there are so many platforms one can serve with. The range of target beneficiaries are endless: Underprivileged children, people with special needs, the sick elderly, environmental causes, animal welfare and so on. Within each beneficiary group, there are even more organisations one can choose to serve with, all under an encompassing volunteering culture. The first-time volunteer may explore different beneficiaries at the start to find one’s passion. Ultimately making the decision to focus one or two causes is wise, because this allows the volunteer to dive in depth to better understand the intricacies of the target beneficiary and how to serve meaningfully, rather than skim the surface.

How do you think charity organisations can help volunteers to integrate better into their organisations?

Volunteer recognition through the annual SAS Volunteer Appreciation Nights is always encouraging, but it is really the day-to-day relationships and trust forged with the nursing home staff that helps the volunteer integrate into the Home. It allows volunteers to feel like they are valued members of the SAS family in the shared desire to add to the

Volunteers

Upclose with some of SAS volunteers



quality of life to the residents. SAS may also provide volunteers with meaningful opportunities and programs to contribute to and in turn, allow the flexibility for them to initiate projects that benefit the residents. Understanding there is a three-way relationship between the volunteer, the organisation and the beneficiary helps in providing a harmonious bond among the three groups.

Any other things you would like to share with fellow volunteers or potential volunteers?

A few crowd-pleasers I have learnt over the years at SAS include visiting the residents during festive occasions, which are bustling periods that ironically heighten their sense of loneliness. Treating residents to occasional (sinful) take-away meals is always well-received in contrast to the Home-catered ones, because which Singaporean can say no to good plate of char kway teow? Another underestimated task a volunteer can do is to accompany the resident out for a stroll around the lobby or the neighbourhood (with permission, of course!), or to the nearby coffeeshop as part of SAS' Kopi Friends program. This provides a refreshing respite from the wards and allows the residents to integrate back into the larger Singaporean community.

Tell us more about yourself...

What is your occupation?

I am currently working as a dentist after graduating from NUS.

What do you do in your leisure time?

My stint at SAS has fuelled a calling for volunteering and serving in our community. Interacting with the elderly residents at SAS has propelled me to also serve in grassroots activities in Kembangan-Chai Chee, where the elderly living in one room-rental flats is a key in-need population group there. I am also an active member of the Singapore Dental Association (SDA) and it was exciting to integrate both SAS and SDA in the outreach program to the former in 2017. Away from volunteering, I enjoy refreshing jogs along our park connectors and have been a Manchester United fan for the longest time. A good read in my spare time is always welcome as well.

How would you describe yourself?

I consider myself a proud Singaporean and feel that it is only right to give back to a society that has given me so much. SAS has grown to become a significant part of my life and I am grateful for how the Society and its people- both residents and staff- have shaped me over the years.

Resident



Lee Dan Lin 70 years old 3 years in SAS

I came to SAS in 2015. Occasionally, SAS will bring in work from outside for the residents here. It has been increasingly more frequent, and that is a good thing. It is one of the things that I always look forward to. Every morning, I will wheel myself to the Rehabilitation Centre at level 5 and get my hands down doing simple work such as inserting magazines or brochures into plastic sheets. Not only do I earn a little income from this, it also helps me to keep myself occupied. Besides doing work, I love outings. However, because most of us here are wheelchair-bound, it is not easy to bring us out. Therefore, I really appreciate the staff and volunteers who take time and efforts to make arrangements and organise outings.

Sek Ah Suan
Medical Social Work Associate
cum Counsellor
52 years old
2+ years in SAS

Social Workers seek to identify the beauty in individuals and their circumstances, drawing on their strengths to empower

What got you interested in the eldercare sector, and in particular medical social work?

I guess it is due to the innate connectedness with the elderly and I get to learn from the elderly their life experiences. Working as a medical social work associate, I need to read materials related to medical conditions and how these conditions have affected the patients/residents in their psychosocial aspects. Together with the medical team, we then work to provide the psychosocial support to the patients/residents and Next-Of-Kins (NOKs).

How long have you been doing what you are doing now?

I am into my 7th year in social work. I started this career in Jun 2012.

Can you tell us more about your role here at SAS?

Below are some of the duties that I carry out at SAS.

- To assess new referrals for admission to nursing home.
- To provide psychosocial support and counselling to residents and family.
- To identify and provide financial assistance to residents who require financial assistance with the nursing home fees.

- To bring residents with no next-of-kin for outings to the banks or attend to other personal matters etc.
- To plan and facilitate group programmes such as Reminisce Group Therapy or engagement activities like movie screenings for residents in the wards etc.
- Together with other team members from medical, nursing and rehab, work with residents and family members on discharge plan for residents who wish to discharge back to the community living.

What are some challenges you face at work?

Next-of-kins who are not forthcoming to provide supporting documents to support residents for financial assistance. That aside, the lack of knowledge to work with residents with mental health issue (schizophrenia) also pose communication challenges.

What are some memorable encounters that you have had as a MSW?

I am touched by patients / residents and their caregivers who have had the courage and resilience to face their challenges — seeing spouses and children who are committed to visit their loved ones in hospital / nursing homes daily to show they still care. Some of these elderly spouses are also stricken with chronic medical conditions and have difficulties with mobility, however, they still show their concerns in tangible ways.

Another example is seeing nursing home residents helping fellow residents such as delivering newspapers or breads to other wards, doing simple cooking of desserts, and giving a little helping hand to each other.

What qualities do you think all those in social work should possess?

Be passionate to walk with your patients/residents and their next-of-kins in their journey of coping with life challenges.

What else do you look forward to in your career?

I want to gain more experience and become a more effective worker and bring positive changes to the nursing home sector.



Helen
General Worker
65 years old
6 years in SAS

I have been working in SAS for close to 6 years. The first two years were spent working as a kitchen assistant — assisting in the daily preparation of meals for our residents and staff. After 2 years of working in the kitchen, I was transferred to the cleaning department.

I love cleanliness. And this makes my job much easier because I love seeing our Home clean.

The job duties and expectations are very clearly communicated to me. My supervisor is also flexible enough to allow me to plan my own schedule so that I can work in the most effective way. With autonomy and trust, it makes working here very enjoyable.

Besides cleaning the offices, I am also responsible for cleaning selected areas in the wards. Residents will greet me when they see me. Most of the residents here do not have families visiting them. Seeing them makes me realise how blessed I am — having the ability to walk and be independent.

Besides the cleaning roles that I am assigned to, I also help with other general work within the Home. I believe in helping one another, and as colleagues, we should offer our help whenever we can. With the spirit of giving and helping, it will make our Home a happier place to stay and work.

SOCIETY FOR THE AGED SICK
(Registered in Singapore under the Charities Act,
Chapter 37 and Societies Act, Chapter 311)
(Unique Entity No.: S68SS0022J)

**Statement by the Executive Committee
and Financial Statements**
Year Ended 31 March 2018

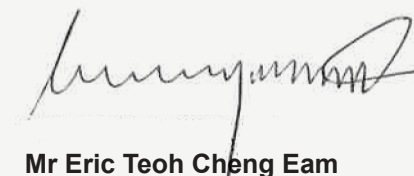
Statement by Executive Committee

In the opinion of the Executive Committee,

- (a) the accompanying financial statements are drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act") and the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and Financial Reporting Standards in Singapore (FRSs), so as to present fairly, in all material respects, the state of affairs of Society for The Aged Sick (the "Society") as at 31 March 2018 and the results, changes in funds and cash flows of the Society for the reporting year ended.
- (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.

The Executive Committee approved and authorised these financial statements for issue.

On behalf of the Executive Committee



Mr Eric Teoh Cheng Eam
President



Mr Chew Loy Cheow
Hon. Treasurer

17 Aug 2018



Independent Auditor's Report to the Members of SOCIETY FOR THE AGED SICK

Report on the audit of financial statements

Opinion

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 2018, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2018 and of the financial activities, changes in funds and cash flows of the Society for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by executive committee and the annual report but does not include the financial

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

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

Independent Auditor's Report to the Members of SOCIETY FOR THE AGED SICK

Auditor's responsibilities for the audit of the financial statements (cont'd)

an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the executive committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion:

- (a) The accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) The fund-raising appeals held during the reporting year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

Report on other legal and regulatory requirements (cont'd)

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

Engagement partner – effective from reporting year
ended 31 March 2017

17 Aug 2018

Statement of Financial Activities Year Ended 31 March 2018

UNRESTRICTED					RESTRICTED				
Notes	Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Sub-Total \$	Building Reserve \$	Computerisation Fund \$	R.K Booker Memorial Fund \$	Sub-Total \$	Total \$
2018									
<u>Incoming Resources:</u>									
<u>Income resources from generated funds</u>									
Grants									
- Government subvention grants	7,262,696	—	—	7,262,696	—	—	—	—	7,262,696
- Other government funding	4 1,446,685	—	—	1,446,685	—	—	—	—	1,446,685
Income from residents	2,471,266	—	—	2,471,266	—	—	—	—	2,471,266
Voluntary income - Donations	5 827,983	—	—	827,983	—	—	—	—	827,983
<u>Other Income</u>									
Interest income	6 19,845	215,690	—	235,535	—	6,500	2,771	9,271	244,806
Government grant income	7 84,394	—	—	84,394	—	—	—	—	84,394
Amortisation deferred building grant	22B 1,409,105	—	—	1,409,105	—	—	—	—	1,409,105
Amortisation of deferred government grant	22D 81,310	—	—	81,310	—	—	—	—	81,310
Total incoming resources	13,603,284	215,690	—	13,818,974	—	6,500	2,771	9,271	13,828,245
<u>Resources Expended:</u>									
Employee benefits expense	8 8,113,225	—	—	8,113,225	—	—	—	—	8,113,225
Resident nursing care costs	9 1,493,973	—	—	1,493,973	—	—	—	—	1,493,973
Facilities management, maintenance and other ancillary costs	10 1,745,564	—	—	1,745,564	—	—	—	—	1,745,564
Administrative expenses	11 2,672,768	—	—	2,672,768	—	—	—	—	2,672,768
Loss on disposal of plant and equipment	183,076	—	—	183,076	—	—	—	—	183,076
Total resources expended	14,208,606	—	—	14,208,606	—	—	—	—	14,208,606
(Deficit)/surplus for the year	(605,322)	215,690	—	(389,632)	—	6,500	2,771	9,271	(380,361)
<u>Other comprehensive income</u>									
Available-for-sale financial assets	19 —	—	—	-	—	—	—	-	-
Total surplus and comprehensive income	(605,322)	215,690	—	(389,632)	—	6,500	2,771	9,271	(380,361)
Balance at 1 April 2017	13,261,682	5,311,713	3,000	18,576,395	2,629,081	160,066	68,230	2,857,377	21,433,772
Balance as at 31 March 2018	12,656,360	5,527,403	3,000	18,186,763	2,629,081	166,566	71,001	2,866,648	21,053,411

Statement of Financial Activities Year Ended 31 March 2018

UNRESTRICTED						RESTRICTED				
Notes	Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Other Reserve \$	Sub-Total \$	Building Reserve \$	Computer-isation Fund \$	R.K Booker Memorial Fund \$	Sub-Total \$	Total \$
2017										
Incoming Resources:										
<u>Income resources from generated funds</u>										
Grants										
- Government subvention grants	7,065,156	—	—	—	7,065,156	—	—	—	—	7,065,156
- Other government funding	4 1,380,278	—	—	—	1,380,278	—	—	—	—	1,380,278
Income from residents	2,265,825	—	—	—	2,265,825	—	—	—	—	2,265,825
Voluntary income - Donations	5 673,480	—	—	—	673,480	—	—	—	—	673,480
<u>Other Income</u>										
Interest income	6 17,590	245,683	—	—	263,273	—	7,403	3,156	10,559	273,832
Government grant income	7 309,493	—	—	—	309,493	—	—	—	—	309,493
Amortisation deferred building grant	22B 1,811,706	—	—	—	1,811,706	—	—	—	—	1,811,706
Amortisation of deferred government grant	22D 29,603	—	—	—	29,603	—	—	—	—	29,603
Total incoming resources	13,553,131	245,683	—	—	13,798,814	—	7,403	3,156	10,559	13,809,373
Resources Expended:										
Employee benefits expense	8 7,528,805	—	—	—	7,528,805	—	—	300	300	7,529,105
Resident nursing care costs	9 1,549,121	—	—	—	1,549,121	—	—	—	—	1,549,121
Facilities management, maintenance and other ancillary costs	10 1,732,532	—	—	—	1,732,532	—	—	—	—	1,732,532
Administrative expenses	11 2,718,852	—	—	—	2,718,852	—	—	—	—	2,718,852
Bad debts written off	347	—	—	—	347	—	—	—	—	347
Loss on disposal of plant and equipment	19,750	—	—	—	19,750	—	—	—	—	19,750
Allowance for impairment on trade receivables	15 66,000	—	—	—	66,000	—	—	—	—	66,000
Total resources expended	13,615,407	—	—	—	13,615,407	—	—	300	300	13,615,707
(Deficit)/surplus for the year	(62,276)	245,683	—	—	183,407	—	7,403	2,856	10,259	193,666
Other comprehensive income										
Available-for-sale financial assets	19 —	—	—	2,965	2,965	—	—	—	—	2,965
Total surplus and comprehensive income	(62,276)	245,683	—	2,965	186,372	—	7,403	2,856	10,259	196,631
Balance at 1 April 2016	13,323,958	5,066,030	3,000	(2,965)	18,390,023	2,629,081	152,663	65,374	2,847,118	21,237,141
Balance as at 31 March 2017	13,261,682	5,311,713	3,000	—	18,576,395	2,629,081	160,066	68,230	2,857,377	21,433,772

Statement of Financial Position As at 31 March 2018

	Notes	2018 \$	2017 \$
Assets			
<u>Non-current assets</u>			
Property, plant and equipment	13	6,050,524	8,115,998
Other financial assets	14	505,000	505,000
Total non-current assets		6,555,524	8,620,998
<u>Current assets</u>			
Trade and other receivables	15	655,507	604,065
Other assets	16	30,866	102,141
Cash and cash equivalents	17	23,029,261	21,303,821
Total current assets		23,715,634	22,010,027
Total assets		30,271,158	30,631,025
Funds and liabilities			
<u>Funds and other reserve</u>			
<u>Unrestricted funds</u>			
Accumulated fund		12,656,360	13,261,682
POSB Centenary fund	20	3,000	3,000
Compensation fund	20	5,527,403	5,311,713
Other reserve	19	–	–
Total unrestricted funds	18	18,186,763	18,576,395
<u>Restricted funds</u>			
Building reserve	20	2,629,081	2,629,081
Computerisation fund	20	166,566	160,066
R.K. Booker Memorial fund	20	71,001	68,230
Total restricted funds		2,866,648	2,857,377
Total funds and other reserve		21,053,411	21,433,772
<u>Current liabilities</u>			
Trade and other payables	21	1,368,596	1,030,850
Other liabilities	22	7,849,151	8,166,403
Total current liabilities		9,217,747	9,197,253
Total funds and liabilities		30,271,158	30,631,025

Statement of Cash Flows For the Reporting Year Ended 31 March 2018

	2018 \$	2017 \$
<u>Cash flows from operating activities</u>		
Net (deficit) surplus for the reporting year	(380,361)	193,666
Adjustments for:		
Interest income	(244,806)	(273,832)
Amortisation of deferred building grant	1,409,105	1,811,706
Depreciation of plant and equipment	2,339,483	2,268,660
Loss on disposal of plant and equipment	183,076	–
Loss on disposal of available-for-sale financial assets	–	19,750
Operating cash flows before changes in working capital	3,306,497	4,019,950
Trade receivables and other receivables	(31,596)	(7,775)
Other assets	71,275	(22,769)
Cash restricted in use (Note 17A)	(1,985,857)	(2,787,003)
Trade payables and other payables	337,746	79,894
Other liabilities	(1,726,357)	(2,828,983)
Net cash flows from (used in) operating activities	(28,292)	(1,546,686)
<u>Cash generated from investing activities</u>		
Proceeds from disposal of plant and equipment	200	–
Purchase of property, plant and equipment	(457,285)	(370,511)
Disposal of available-for-sale financial assets	–	1,000,000
Interest received	224,960	288,245
Net cash flows (used in) from investing activities	(232,125)	917,734
Net decrease in cash and cash equivalents	(260,417)	(628,952)
Cash and cash equivalents, statement of cash flows, beginning balance	6,432,802	7,061,754
Cash and cash equivalents, statement of cash flows, ending balance (Note 17A)	6,172,385	6,432,802

1. General

Society for the Aged Sick (the "Society") is registered in Singapore on 14 February 1968 under the Societies Act, Chapter 311. The Society is also a charity registered under the Charities Act, Chapter 37 and approved Institutions of a Public Character under the Income Tax Act, Chapter 134. The financial statements are presented in Singapore dollars.

The principal activities of the Society consist of the provision of residential and nursing care services for the aged sick.

The registered office address is: 130 Hougang Avenue 1, Singapore 538900. The Society is situated in Singapore.

The financial statements of the Society for the reporting year ended 31 March 2018 are authorised for issuance by the Executive Committee on the date of the statement by the Executive Committee.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Societies Act, Chapter 311. The Society is also subject to the provisions of the Charities Act, Chapter 37. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, Society has made judgements in the process of applying the entity's accounting policies. The areas requiring Society's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Society and it is shown net of related tax and subsidies.

(a) Grants

Grants to cover a particular expenditure or programme are accounted for as incoming resources upon receipt of notification of the grant award, which normally coincides with the year when the related expenses, for which the grant is intended to cover, are incurred. The corresponding asset (grants receivable account) is also recognised then. Grants received from Ministry of Health ("MOH") for the purchase of depreciable assets and refurbishment of buildings are taken to the deferred capital grants account. The deferred grants are recognised in the statement of financial activities over the years necessary to match the depreciation of assets to which the grants relate. A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

(a) Grants (cont'd)
will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate.

Under the conditions of grant received, over or under funding from MOH are refundable to or from MOH.

(b) Donation and corporate cash sponsorship
Revenue from donations and corporate cash sponsorships are recognised in the statement of financial activities when they have been received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are signed.

(c) Rendering of service
Revenue from rendering of services that are of short duration is recognised when the services are completed.

(d) Fund-raising
Revenue from special fund-raising events is recognised when the event takes place.

(e) Other income
Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

Donations in kind

A donation in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall

due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

As a charity, the Society is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen for the Foundation during the reporting year.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Government grants (cont'd)

basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

Property, plant and equipment

Depreciation on leasehold building is calculated using the reducing balance method to allocate the depreciable amount over its remaining useful life of 3.5 years (2017: 4.5 years).

Depreciation on other items of plant and equipment is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The useful lives are as follows:

Furniture and equipment	3 to 10 years
Motor vehicles	5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in statement of financial activities. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of financial activities when they are incurred.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through statement of financial activities to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in statement of financial activities. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at the end of the reporting year, there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not

classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at the end of the reporting year, there were no financial assets classified in this category.
4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. If such market prices are not reliably determinable, management establishes fair value by using valuation techniques. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Subsequent measurement: (cont'd)

Such reserves are reclassified to statement of financial activities when realised through disposal. Impairments below cost are recognised in statement of financial activities. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to statement of financial activities as a reclassification adjustment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through statement of financial activities. However for debt instruments classified as available-for-sale impairment losses recognised in statement of financial activities are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, and fixed deposits. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is

at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: As at end of the reporting year date there were no financial liabilities classified in this category.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in statement of financial activities in the reporting year they occur.

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Society are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowances for doubtful trade accounts:

An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 15 on trade and other receivables.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to

the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets is disclosed in Note 13 on property, plant and equipment

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the Executive Committee and key management of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

All Executive Committee, members of sub-committees and procurement staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holding that could potentially result in conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Executive Committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

3. Related party relationships and transactions (cont'd)

3A. Key management compensation:

	2018 \$	2017 \$
Salaries and other short-term employee benefits	525,919	378,058
Number of key management in compensation bands:		
Less than \$100,000	4	1
\$100,000 to \$200,000	2	2

Key management personnel is the deputy chief operating officer and the direct reporting senior officers who have authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly. There were no transactions with a company in which the above key management personnel have an interest in.

4. Other government funding

	2018 \$	2017 \$
Community Silver Trust (CST) fund for operating expenses (Note 22A)	48,837	313,471
Replacement ratio funding for direct care staff manpower expenses	676,426	634,509
Salary Adjustment Exercise (SAE) funding for manpower expenses (Note 22C)	642,204	432,298
President's Challenge Fund (Note 22E)	79,218	—
Total	1,446,685	1,380,278

5. Voluntary income – donations

	2018 \$	2017 \$
Donations in cash	646,083	424,568
Donations in kind	181,900	248,912
Total	827,983	673,480

Tax deductible receipts

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the accumulated funds of the Society. The Society's Institutions of a Public Character ("IPC") status for general donations is for the period from 1 September 2015 to 31 August 2018.

Subsequent to the year-end, 31 March 2018, the Society's IPC status has been renewed for the period from 1 September 2018 to 31 August 2021.

	2018 \$	2017 \$
Tax-exempt receipts issued for donations collected	613,473	512,170

6. Interest income

	2018 \$	2017 \$
Interest income from other financial assets	225,808	227,922
Interest income from financial institutions	18,998	45,910
Total	244,806	273,832

7. Government grant income

	2018 \$	2017 \$
Other government grants	84,934	309,493

8. Employee benefits expense

	2018 \$	2017 \$
Short term employee benefits expense	6,238,957	5,531,896
Contributions to defined contribution plans	567,678	533,152
Other benefits	1,306,590	1,464,057
Total	8,113,225	7,529,105

9. Resident nursing care costs

	2018 \$	2017 \$
Resident nursing care costs	1,458,361	1,478,618
Resident rehabilitation costs	2,998	51,599
Resident activities, volunteer and donor expenses	32,614	18,904
Total	<u>1,493,973</u>	<u>1,549,121</u>

10. Facilities management, maintenance and other ancillary costs

	2018 \$	2017 \$
Maintenance and upkeep of premises	448,106	480,554
Utilities	413,945	354,594
Professional fees	125,523	128,002
Food and other kitchen supplies	657,142	643,977
Others	100,848	125,405
Total	<u>1,745,564</u>	<u>1,732,532</u>

11. Administrative expenses

The major components include the following:

	2018 \$	2017 \$
Depreciation (Note 13)	<u>2,339,483</u>	<u>2,268,660</u>

12. Items in the statement of financial activities

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the statement of financial activities includes the following items:

	2018 \$	2017 \$
Audit fees to independent auditors	15,000	15,000
Other attestation fees to independent auditors	<u>9,000</u>	<u>14,440</u>

13. Property, plant and equipment

	Leasehold building	Furniture and equipment	Motor Vehicles	Construction In Progress	Total
<u>Cost:</u>					
At 1 April 2016	20,473,557	2,085,063	318,860	–	22,877,480
Additions	18,300	261,340	90,871	–	370,511
At 31 March 2017	20,491,857	2,346,403	409,731	–	23,247,991
Additions	–	184,971	–	272,314	457,285
Disposals	–	(661,903)	–	–	(661,903)
At 31 March 2018	<u>20,491,857</u>	<u>1,869,471</u>	<u>409,731</u>	<u>272,314</u>	<u>23,043,373</u>
<u>Accumulated depreciation:</u>					
At 1 April 2016	11,611,819	1,051,816	199,698	–	12,863,333
Depreciation for the year	1,937,019	301,014	30,627	–	2,268,660
At 31 March 2017	13,548,838	1,352,830	230,325	–	15,131,993
Depreciation for the year	2,007,815	294,228	37,440	–	2,339,483
Disposals	–	(478,627)	–	–	(478,627)
At 31 March 2018	<u>15,556,653</u>	<u>1,168,431</u>	<u>267,765</u>	<u>–</u>	<u>16,992,849</u>
<u>Carrying value:</u>					
At 1 April 2016	8,861,738	1,033,247	119,162	–	10,014,147
At 31 March 2017	6,943,019	993,573	179,406	–	8,115,998
At 31 March 2018	<u>4,935,204</u>	<u>701,040</u>	<u>141,966</u>	<u>272,314</u>	<u>6,050,524</u>

The leasehold building is held in trust by a trustee of the Society.

14. Other financial assets

	2018 \$	2017 \$
Balance is made up of:		
Investments available-for-sale at fair value through other comprehensive income ("FVTOCI")	<u>505,000</u>	<u>505,000</u>

14A. Movements in other financial assets

	2018 \$	2017 \$
<u>Investments available-for-sale at FVTOCI: -</u>		
Movements during the year:		
Fair value at beginning of the year	505,000	1,521,785
Disposals	–	(1,019,750)
Increase in fair value through other comprehensive income	–	2,965
Fair value at end of the year	<u>505,000</u>	<u>505,000</u>

14B. Disclosures relating to investments

The information gives a summary of the significant sector concentrations within the investment portfolio:

	Level	2018 \$	2017 \$
<u>Quoted corporate bonds in Singapore</u>		<u>505,000</u>	<u>505,000</u>
Real estate industry	1	<u>505,000</u>	<u>505,000</u>

The rate of interest for the interest earning bonds ranged between 3.80% (2017: 3.80% – 4.15%) per annum.

The fair value of quoted debt securities are determined based on market prices (Level 1).

A summary of the maturity dates of corporate bonds as at the end of reporting year is as follows:

	2018 \$	2017 \$
Within 1 to 3 years	–	–
After 3 years	<u>505,000</u>	<u>505,000</u>
	<u>505,000</u>	<u>505,000</u>

Sensitivity analysis for price risk:

There are investments in corporate bonds or similar instruments. Such investments are exposed to market price risk arising from uncertainties about future values of the investment securities. Sensitivity analysis: The effect is as follows:

	2018 \$	2017 \$
A hypothetical 10% increase in the market index of quoted corporate bonds would have an effect on surplus of	<u>50,500</u>	<u>50,500</u>

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

15. Trade and other receivables

	2018 \$	2017 \$
<u>Trade receivables:</u>		
Outside parties	360,229	374,770
Medifund grant receivable	170,188	105,067
Less: Allowance for impairment	(111,207)	(111,207)
Subtotal	<u>419,210</u>	<u>368,630</u>

<u>Other receivables:</u>		
Outside parties	107,692	103,143
Interest receivable	128,605	108,759
Government grant receivables (Note 22D)	–	23,533
Subtotal	<u>236,297</u>	<u>235,435</u>
Total trade and other receivables	<u>655,507</u>	<u>604,065</u>
<u>Movements in above allowance on trade receivables:</u>		
Balance at beginning of the year	111,207	45,207
Charge for trade receivables to statement of financial activities, net	–	66,000
Balance at end of the year	<u>111,207</u>	<u>111,207</u>

16. Other assets

	2018 \$	2017 \$
Prepayments	11,786	19,647
Deposits to secure services	17,930	81,624
Others	1,150	870
Total	30,866	102,141

17. Cash and cash equivalents

	2018 \$	2017 \$
Not restricted in use	6,172,385	6,432,802
Restricted in use:-		
(a) Restricted in use over 3 months	11,159,184	10,316,153
(b) Cash under restricted funds (Note A)	2,866,648	2,857,377
(c) Cash restricted in use (Note B)	2,831,044	1,697,489
	23,029,261	21,303,821
Interest earning balances	15,919,970	14,660,012

Note A:

Cash and cash equivalents restricted in use for their various programme funds recorded in restricted funds. It also includes the following:

Note B:

- \$231,419 (2017: \$323,605) relating to monies received under Community Silver Trust Fund (Note 22A);
- \$1,491,937 (2017: \$1,162,877) relating to monies received under the Salary Adjustment Exercise (SAE) Fund from the Ministry of Health (Note 22C); and
- \$170,782 (2017: Nil) relating to monies received under the President's Challenge Fund (Note 22E).
- \$582,027 (2017: \$63,140) relating to monies held on behalf of Medifund Account from the Ministry of Health (Note 22).
- \$354,879 (2017: \$147,867) relating to monies held on behalf of the residents.

The rate of interest for the cash on interest earning balances is between 1.13% and 1.40% (2017: 1.10% and 1.72%) per annum.

17A. Cash and cash equivalents in the statement of cash flows:

	31.3.2018 \$	31.3.2017 \$
Amount as shown above	23,029,261	21,303,821
Restricted in use	(16,856,876)	(14,871,019)
Cash and cash equivalents for statement of cash flows purposes at end of the year	6,172,385	6,432,802

18. Reserves policy

	2018 \$	2017 \$
Unrestricted Funds	18,186,763	18,576,395
Annual operating expenditure*	14,208,606	13,615,407
Ratio of reserves to annual operating expenditure	1.28	1.36

* Annual operating expenditure represents total resources expended for unrestricted funds.

19. Other reserve

	2018 \$	2017 \$
At beginning of the year	–	(2,965)
Gain on available-for-sale financial assets, reclassified from equity to profit or loss as a reclassification adjustment	–	2,965
At end of the year	–	–

The available-for-sale financial assets reserve arises from the annual remeasurement of the available-for-sale financial assets. It is not distributable until it is released to the profit or loss on the disposal of the investments.

20. Funds of the Society

Unrestricted funds comprise:

- (a) POSB Centenary Fund is donation received in conjunction with POSB's anniversary
- (b) Compensation fund is generated from proceeds from sale of the Society's land at Jalan Payoh Lai to the Singapore government.

Restricted funds comprise:

- (a) Building reserve is a restricted fund, which purpose is for the renovation, maintenance and payment of repair services of the leasehold building.
- (b) Computerisation fund is used for the Society's IT system upgrades.
- (c) R.K. Booker Memorial fund is used for giving out scholarships and training for the Society's staff.

21. Trade and other payables

	2018 \$	2017 \$
Trade payables:		
Outside parties	528,332	63,231
Subtotal	528,332	63,231
Other payables:		
Outside parties and accrued liabilities	400,381	476,880
Residents' funds held on behalf	396,215	454,933
Residents' maintenance deposits	19,256	27,307
Non-refundable payments received in advance	2,871	6,784
Deferred income	21,542	1,715
Sub-total	840,264	967,619
Total trade and other payables	1,368,596	1,030,850

22. Other liabilities

	31.3.2018 \$	31.3.2017 \$
Community Silver Trust – Deferred income (Note 22A)	231,419	323,605
Deferred building grant (Note 22B)	5,022,754	6,340,971
Funding from Ministry of Health (Note 22C)	1,491,938	1,162,877
Deferred capital grant (Note 22D)	350,231	275,810
President's Challenge Fund (Note 22E)	170,782	–
Monies held on behalf of Medifund Account (Note 17)	582,027	63,140
Total	7,849,151	8,166,403

22A. Community Silver Trust – Deferred income

	2018 \$	2017 \$
Beginning of the year	323,605	–
Grants received during the year	–	637,076
Transfer to Deferred Capital Grant (Note 22D)	(43,348)	–
Utilised during the year (Note 4)	(48,838)	(313,471)
End of the year	231,419	323,605

Community Silver Trust (CST) funding is a dollar-to-dollar matching for eligible donations by the Government of Singapore, which shall be used for specified purposes that include enhancement and expansion of services and building capability of the voluntary welfare organisation. The CST funding received by the Society has been earmarked for the development of rehabilitation services. The balance as at the end of the reporting year represents CST funding received but not utilised.

22. Other liabilities (cont'd)

22B. Deferred building grant

	2018 \$	2017 \$
<u>At cost:</u>		
Balance at beginning of the year	17,664,410	17,516,917
Purchase of plant and equipment – grants received	–	147,493
Transfer from Deferred Capital Grant (Note 22D)	90,888	–
Balance at end of the year	17,755,298	17,664,410
<u>Accumulated amortisation:</u>		
Balance at beginning of the year	11,323,439	9,511,733
Amortisation for the year	1,409,105	1,811,706
Balance at end of the year	12,732,544	11,323,439
<u>Carrying value:</u>		
Balance at beginning of the year	6,340,971	8,005,184
Balance at end of the year	5,022,754	6,340,971

There are capital grants received from the government agency and public donations for the building and extension building of the Society.

22C. Funding from the Ministry of Health

	2018 \$	2017 \$
Beginning of the year	1,162,877	801,930
Grants received during the year	971,265	793,245
Utilisation for staff payment	(642,204)	(432,298)
End of the year	1,491,938	1,162,877

Salary Adjustment Exercise (SAE) funding received from the Ministry of Health (“MOH”) is for improving the salary competitiveness of staff in the intermediate and Long-Term Care (ILTC) sector. Where minimum salary benchmarks have been met, 50% of the remaining funding shall be used for other manpower initiatives and the other 50% can be used for other general purposes. The balance as at the end of the reporting year represents funding received but not utilised.

22D. Deferred capital grants

	2018 \$	2017 \$
<u>At cost:</u>		
Balance at beginning of the year	305,413	–
Purchase of plant and equipment – grants received	203,351	281,880
Purchase of plant and equipment – grants receivable (Note 15)	–	23,533
Transfer from Community Silver Trust-Deferred Income (Note 22A)	43,348	–
Transfer to Deferred Building Grant (Note 22B)	(90,888)	–
Reversal of Deferred Capital Grant	(80)	–
Balance at end of the year	461,144	305,413
<u>Accumulated amortisation:</u>		
Balance at beginning of the year	29,603	–
Amortisation for the year	81,310	29,603
Balance at end of the year	110,913	29,603
<u>Carrying value:</u>		
Balance at beginning of the year	275,810	–
Balance at end of the year	350,231	275,810

Deferred capital grants refer to grants received from government agencies and public donations for the purchase of plant and equipment, other than those related to the leasehold building.

22E. President's Challenge Fund

	2018 \$	2017 \$
Beginning of the year	-	-
Grants received during the year	250,000	-
Utilisation	(79,218)	-
End of the year	170,782	-

President's Challenge Fund received is for defraying part of the manpower costs of the rehabilitation department, as part of the development of rehabilitation services for residents.

23. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	2018 \$	2017 \$
Commitments for construction of a 4 storey staff dormitory extension to existing building (2017: plant and equipment)	3,128,860	61,659

24. Columnar presentation of statement of financial position

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

25. Financial instruments: information on financial risks

25A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2018 \$	2017 \$
<u>Financial assets:</u>		
Cash and cash equivalents	23,029,261	21,303,821
Trade and other receivables	655,507	604,065
Available-for-sale financial assets	505,000	505,000
At end of the year	24,189,768	22,412,886
<u>Financial liabilities:</u>		
Trade and other payables measure at amortised cost, at end of the year	1,368,596	1,030,850

Further quantitative disclosures are included throughout these financial statements.

25B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

25C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

25D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments

25. Financial instruments: information on financial risks (cont'd)
25D. Credit risk on financial assets (cont'd)

at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in statement of financial activities. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a small number of counter-parties and customers.

Note 17 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days (2017: 30 days). But some clients take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	2018 \$	2017 \$
<u>Trade receivables:</u>		
Over 31 days	54,228	95,727
61 to 90 days	50,679	35,693
Over 90 days	–	95,149
At end of year	<u>104,907</u>	<u>226,569</u>

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	2018 \$	2017 \$
<u>Trade receivables:</u>		
Over 31 days	111,207	111,207
At end of year	<u>111,207</u>	<u>111,207</u>

Other receivables are normally with no fixed terms and therefore there is no maturity.

There is no concentration of credit risk with respect to trade receivables, as there are a large number of receivables from residents.

25E. Liquidity risk – financial liabilities maturity analysis

All liabilities are due within a year.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2017: 30 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

25F. Interest rate risk

	2018 \$	2017 \$
<u>Financial assets:</u>		
Fixed rates	<u>16,424,970</u>	<u>15,165,012</u>

Sensitivity analysis: The effect on surplus is insignificant.

25G. Foreign currency risk

There is insignificant exposure to foreign currency risk as part of its normal business.

26. Changes and adoption of financial reporting standards

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS (“INT FRS”) were issued by the Singapore Accounting Standards Council. None of these were applicable to the reporting entity.

27. New or amended standards in issue but not yet effective

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS (“INT FRS”) were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018

28. Reclassifications of comparative figures

Certain reclassifications have been made to the prior year’s financial statements to enhance comparability with current year’s financial statements. The reclassifications included the following:

Statement of financial activities as at 31 March 2017	After restatement \$	Before restatement \$	Difference \$
Employee benefits expense	7,529,105	7,511,830	17,275
Facilities management, maintenance and other ancillary costs	1,732,532	1,607,127	125,405
Administrative expenses	<u>2,718,852</u>	<u>2,861,532</u>	<u>(142,680)</u>

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