

Society for the Aged Sick

Annual Report

2018/2019



Contents

3	About Us
4	Overview of Charity
5	Welcome Message from the President
6	Leadership
9	Departments' Overview & Staffing
10	SAS at a glance
12	Financial highlights of the Year
16	Highlights of Our Work: Programmes and Activities
26	Fundraising Event
28	Volunteers
31	What our Residents Say..
32	The Year Ahead
33	Governance
36	Financial Statements



About SAS

Purpose/Objects

Society for the Aged Sick ("SAS") is a registered charity which operates a nursing home at 130 Hougang Avenue 1, Singapore 538900 for the elderly and chronically ill, especially the destitute or financially needy.

Our Mission

To provide quality care to the aged sick and destitute

To help the aged sick and destitute lead a meaningful and enriching life

Our Vision

Adding years of quality life to the elderly

Overview of Charity

SAS was registered as a society on 14 February 1968.

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 2018 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

Welcome Message from the President, *Dr Timothy Teoh*

21 August 2019

It is my honour to serve the SAS as the President together with my fellow EXCO members, management, staff, donors and volunteers of our nursing home (the “Home”). I would like to thank everyone for giving me this opportunity to serve the community together.

As the saying goes,

*“Alone, we can do so little;
together, we can do so much”.*

I am delighted to share that the Home has grown from strength to strength over the past 51 years, and what we see today would not have been possible without the help and contributions from each and every one of you.

2018 was a busy yet memorable year for the Home. We celebrated our 50th year anniversary, and to mark this significant milestone, we had the great pleasure of having President Halimah Yacob and Health Minister of the Republic of Singapore, Mr Gan Kim Yong, to join us in this joyous celebration.

The Home has come a long way from serving the community. From a 16-bedded facility, we are now a 404-bedded facility. On top of that, we have also recently completed our four-storey building that will provide dining, recreational and accommodation facilities for our staff this year.

With the ever-increasing needs of our residents, it is of utmost importance that the Home consciously seek ways to improve not only the quality of life of our residents but as well as our staff. The new building will serve as a monumental step by the Home in its commitment to improving the welfare of our staff.

As we celebrate our milestone and achievements last year, the Home is also mindful that we have to be kept operationally sustainable. The Home incurred over \$6 million when renewing our lease in 2018. Inevitably, this has caused some financial impact to SAS. To build up our reserves, and as part of our 50th Anniversary celebration, SAS held its inaugural Golf Fundraising event last year, to which we are grateful to all participants who have supported us -- all in the spirit of giving.

While I do see multiple challenges ahead of us in gearing up our fundraising efforts to meet sustainability demands and quality improvements in various areas to meet increasing expectations from residents, I do believe this also creates an opportunity for all of us to come together with great determination to fulfil a common purpose. I believe, together, we can do so much more. I look forward to a meaningful and rewarding journey with all of you.

Leadership

The governing body of the SAS is a committee known as the Executive Committee (“EXCO”). All members of the EXCO are independent volunteers. The EXCO is aided by various Sub-Committees that report to the EXCO in accordance with the terms of reference set by EXCO.

Also reporting to the EXCO is the Chief Operating Officer (“COO”) who implements the direction and policies set by the EXCO and oversees the day-to-day running of the Home. The COO and the five heads of department reporting to the COO makes up the composition of the management team of SAS (the “Management Team”).

The EXCO members in office as at the date of this report are:

Name	Current EXCO Apppintment / Date of current Appointment	Occupation	Past Appointment as President, Treasurer or Secretary or equivalent
Dr Timothy Teoh Chi-Chan	President 21 September 2018	Medical Doctor	First appointment as Deputy President: 21 June 2016
Mr Eric Teoh Cheng Eam	Immediate Past President 21 September 2018	Company Director (Leisure)	First appointment as Deputy President: June 1997 First appointment as President: 21 June 2002
Dr Chook Kum Kay	Deputy President 21 September 2018	Medical Doctor	First appointment as Deputy President: 21 June 2016
Mr Chew Loy Cheow	Deputy President 21 September 2018	Consultant (Financial Markets)	First appointment as Deputy President: 21 September 2018 First appointment as Honorary Treasurer: 19 June 2012 First appointment as Honorary Secretary: 10 June 2014
Ms Sharmini Chitran	Honorary Secretary 21 September 2018	Advocate & Solicitor	First appointment as Honorary Secretary: 21 June 2016
Mr Tan Puay Lit	Honorary Treasurer 21 September 2018	Director (Asset Management)	First appointment as Assistant Honorary Treasurer: 20 September 2016
Mr Ronald Wong Kin Wai	Honorary Assistant Treasurer 29 January 2019	Partner (Financial Accounting Advisory Services)	First appointment as Assistant Honorary Treasurer: 29 January 2019
Mrs Liew Soo Wah	Committee Member 21 September 2018	Retiree	
Mr Yeo Chuen Eng	Committee Member 21 September 2018	Private Banker	
Dr Richard Tan Han Shing	Committee Member 21 September 2018	Businessman	
Mr Lim Felix Eugene	Committee Member 21 September 2018	Unemployed	
Ms Wendy Soh	Committee Member 21 September 2018	Finance Director	
Mr Theodor Tan Kern Hur	Committee Member 29 January 2019	Lawyer	

Current Sub–Committees as at date of this report

Audit

Ms Wendy Soh (Chairman)
Mr Felix Eugene Lim
Ms Joyce Chia
Ms Mary Chua

Human Resource

Dr Chook Kum Kay (Chairman)
Mrs Liew Soo Wah
Mr Theodor Tan Kern Hur
Mr Kiffly Araib

Finance & Investment

Mr Tan Puay Lit (Chairman)
Mr Eric Teoh Cheng Eam
Mr Chew Loy Cheow
Mr Yeo Chuen Eng

Procurement

Dr Richard Tan Hang Shing (Chairman)

Fundraising

Mr Eric Teoh Cheng Eam (Chairman)

Tender & Building Project

Mr Eric Teoh Cheng Eam (Chairman)

Governance

Mr Yeo Chuen Eng (Chairman)
Dr Chook Kum Kay
Ms Sharmini Chitran

Medifund

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

Home Management and Quality Assurance

Dr Timothy Teoh Chi-Chan (Chairman)
Dr Paul Sim

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

Appointment approved by Ministry of Health for the term of 1 April 2019 to 30 June 2023

Mr Chew Loy Cheow (Chairman)
Ms Liew Yan Yan Melissa
Mr Soh Chin Siang Jerry (resigned 5 April 2019)
Dr Mok Yee Ming

Management Team as at date of this report

Kate Koh
Chief Operating Officer
Appointed to position since 20 September 2018
Deputy Chief Operating Officer (from 1 December 2017 to 19 September 2018)

Sandra Quek
Head of Nursing
Appointed to position since 1 October 2017

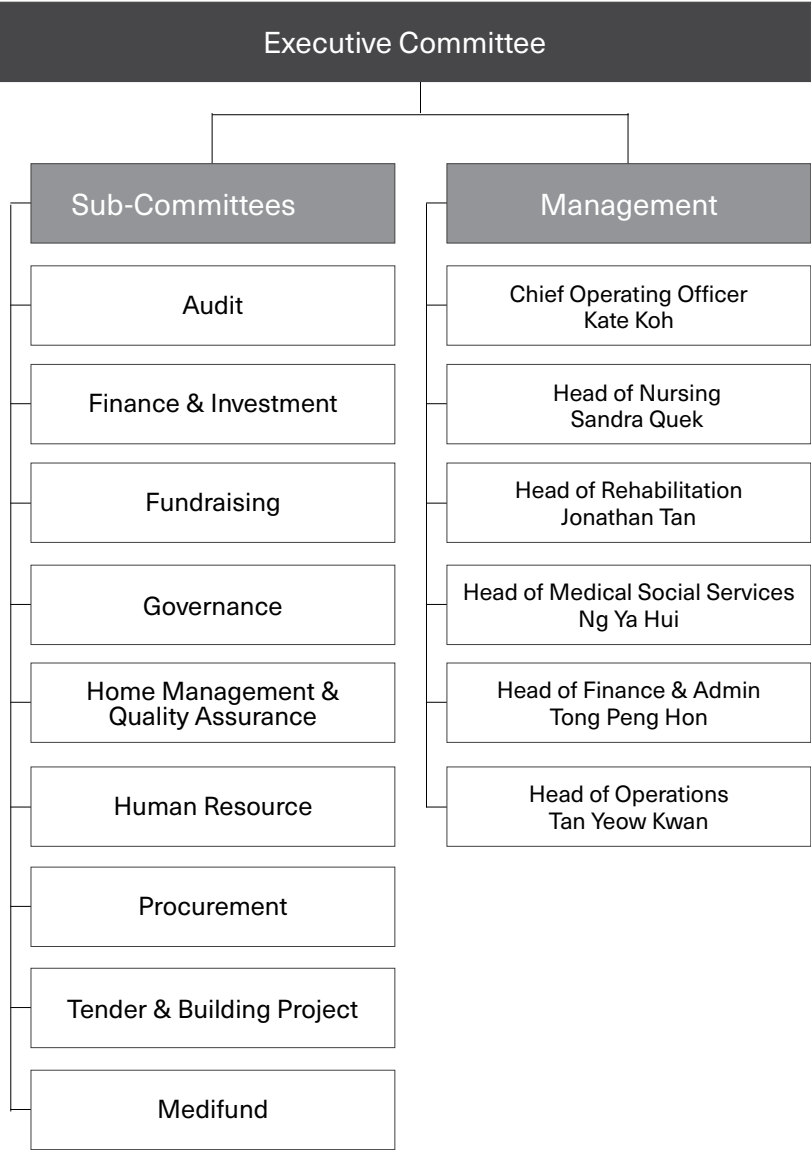
Jonathan Tan
Head of Rehabilitation
Appointed to position since 1 February 2018

Ng Ya Hui
Head of Medical Social Services
Appointed to position since 27 May 2019

Tong Peng Hon
Head of Finance and Admin
Appointed to position since 26 November 2018

Tan Yeow Kwan
Head of Operations
Appointed to position since 10 October 2018

Organizational Structure



Departments’ Overview

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.

Rehabilitation

The rehabilitation team adopts a person-centred care approach by assessing the residents’ needs and preferences. Thereafter, the team creates individual care plans for the residents to help them maximise their functional potential.

Medical Social Services

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

Operations

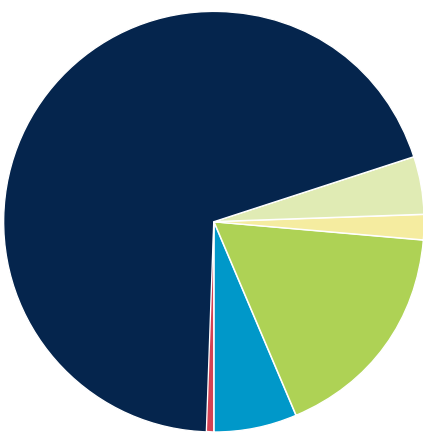
The Operations team ensures that the Home is safe and secure for the staff and residents by having security measures in place. It is also in charge of the overall maintenance of the building, from cleanliness to meal preparations for the staff and residents. The Operations team also helped the development and construction of the upcoming 4-storey building, which was completed on 30 April 2019.

Finance & Administration

Finance & Administration oversees four key support functions for the SAS Home, namely, Finance, Administration, Human Resource, and Corporate & Community Relations.

Staffing

As at 31 March 2019, SAS has 288 staff, comprising of:



- Chief Operating Officer (1)
- Nursing (201)
- Rehabilitation (13)
- Medical Social Services (5)
- Operations Department (50)
- Finance and Administration (18)

SAS at a glance

Our Services




We provide a range of services to meet the needs of our residents. They include:

- (i) Residential care
- (ii) Nursing care
- (iii) Medical care
- (iv) Physiotherapy
- (v) Occupational therapy
- (vi) Speech therapy
- (vii) Nutrition and dietary services
- (viii) Dental care

Our social service team, together with dedicated volunteers, also provide emotional support and organise activities that help our residents lead a more meaningful and enriching life.

We offer both long-term residential care and respite care services.

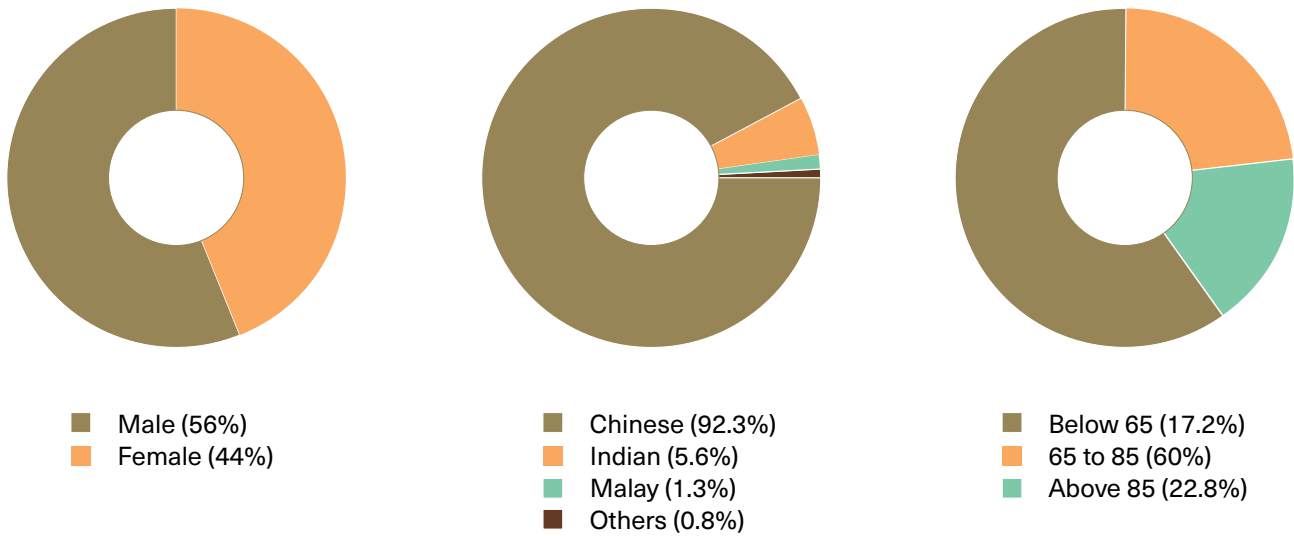
Residents' Mobility Category as at 31 March 2019

	Category 2 semi-ambulant	FY 2018 FY 2019	<div><div></div><div></div></div>	1.8% 1.5%	↓
	Category 3 wheelchair-bound	FY 2018 FY 2019	<div><div></div><div></div></div>	49.6% 49.2%	↓
	Category 4 bed-bound	FY 2018 FY 2019	<div><div></div><div></div></div>	48.6% 49.2%	↑

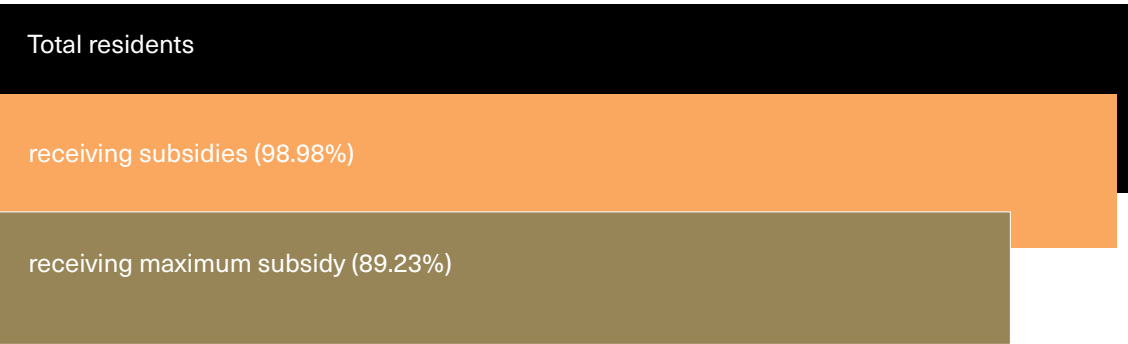
Average Nursing Home Occupancy Rate during the financial year

97%

Residents' Profile as at 31 March 2019



Residents receiving subsidies as at 31 March 2019



Financial Highlights of the Year

Summary Financial Performance

Total Income:	Total Expenditure:	Surplus:
\$14,379,773	\$14,282,055	\$97,718
(FY18: \$13,828,245)	(FY18: \$14,208,606)	(FY18 Deficit: \$380,361)

In the financial year ended 31 March 2019, SAS generated a surplus of \$97,718, compared to a deficit of \$380,361 in the previous financial year.

This was mainly due to a higher income generated amounting to \$551,528, partially offset by higher expenditure of \$73,449.

1. Income

Both government subvention and donation income increased by \$1,097,208 and \$432,791 respectively, which were partially offset by a decrease in amortisation of deferred building grant \$792,056.

The Ministry of Health increased the government subvention for nursing homes with effect from 1 July 2018, as part of its periodic review of subvention levels.

The increase in donations was mainly due to the SAS' 50th anniversary charity golf tournament held on 29 November 2018 which raised \$252,000 and was matched \$100,000 by Tote Board.

The decrease in amortisation of the deferred building grant was due to the renewal of SAS' lease term with the Singapore Land Authority for another 30 year period from 31 August 2018 to 30 August 2048. This extended the amortization period from 3.5 years (remaining years of previous lease term expiring in September 2021) to 30 years resulting in a smaller amortized grant income.

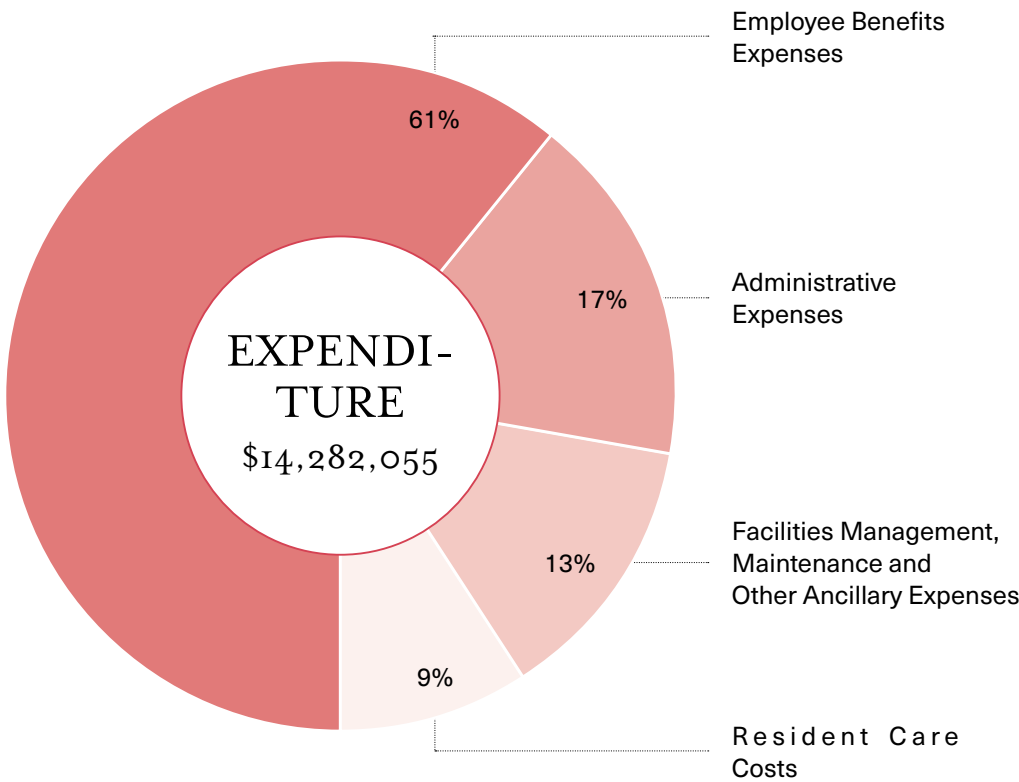
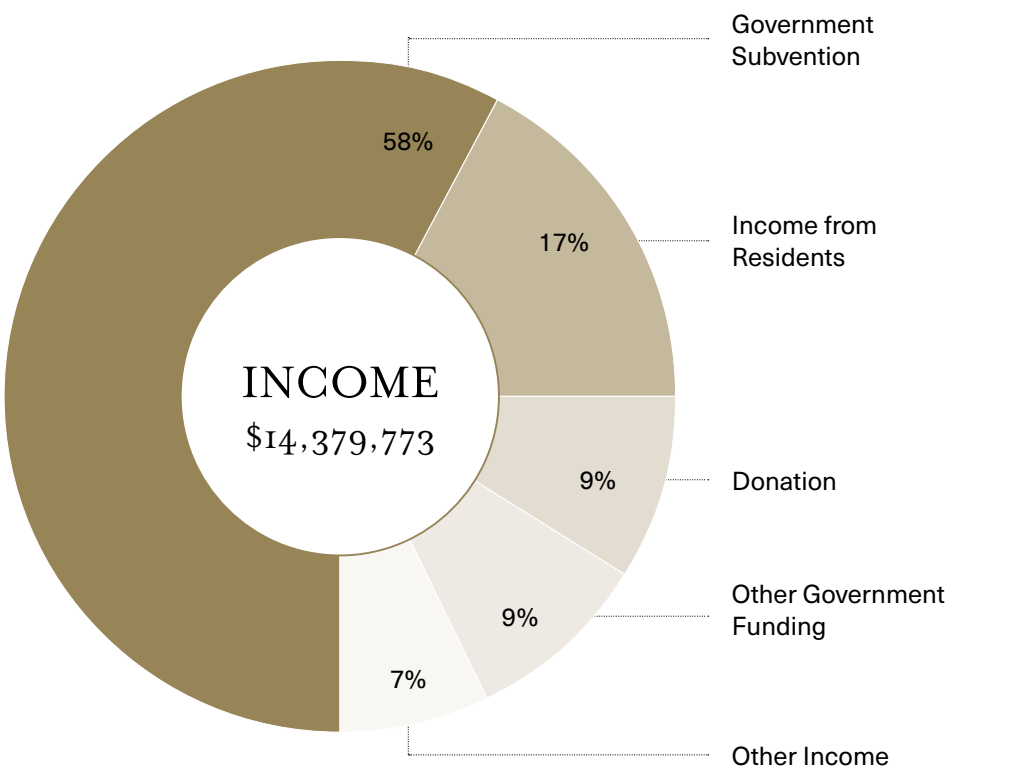
2. Expenditure

Employee expenses increased by \$623,843, mainly due to increase in headcount and staff salary increments during the year.

On the 30-year lease renewal, SAS incurred amortization of the new lease premium of \$122,115, one-off stamp duty and GST expense amounting to \$183,000 and \$332,000 respectively in the year.

These are partially offset by lower depreciation of \$1,149,414 due to the extension of leasehold building useful life from 3.5 years (remaining years of previous lease term expiring in September 2021) to 30 years on the new lease.

Sources of Income



Major Financial Transactions

SAS' cash and cash equivalents decreased by \$9,367,383 (41%) during the year mainly due to the following:

1. Payment of \$6,719,670 to the Singapore Land Authority for the renewal of SAS' lease term for another 30 years from 31 August 2018 to 30 August 2048. This amount includes 7% GST on the lease renewal premium \$439,600
2. Payment of \$183,000 to Inland Revenue of Authority Singapore (IRAS) being stamp duty on the lease renewal premium.
3. Payment of progress claims, consultant and submission fees \$2,689,050 on the new 4-storey annex building that obtained temporary occupancy permit after the financial year-end on 30 April 2019.

Purpose of Charitable Assets held

Total assets held by SAS amount to \$28,875,301 as at 31 March 2019, of which

1. \$13,661,878 (47%) is held in the form of cash and fixed deposits.

Of this \$2,892,908 is cash under restricted funds and \$2,494,895 is cash restricted in use. The balance of \$8,274,075 is available for general use by SAS.
2. \$7,688,423 (27%) is held in the form of property, plant and equipment.

These include the leasehold building at 130 Hougang Avenue 1 where the Home is located, 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 operations of the Home.
3. \$6,157,955 (21%) is the prepayment of lease renewal premium to Singapore Land Authority for the new 30-year lease from 1 April 2019 to 30 August 2048.

SAS' assets are held for the purpose of meeting its charitable objectives.

Reserves Policy

SAS' reserves level as at 31 March 2019:

	Current Year	Previous Year	% increase / (decrease)
Unrestricted Funds (Reserves)	18,258,220	18,186,763	0.40%
Restricted / Designated Funds:			
• Building Reserve			
• Computerization Fund	2,629,081	2,629,081	0.00%
• Bob and Hazel Booker Memorial Fund	173,742	166,566	4.30%
	90,086	71,001	26.88%
Total Funds	21,151,129	21,053,411	0.46%
Annual Operating Expenditure	14,277,420	14,208,606	0.48%
Ratio of Reserves to Annual Operating Expenditure	1.28 years	1.28 years	

The reserves that we have set aside provide financial stability and the means for the development of our principal activity. We intend to maintain our reserves at a level which is at least equivalent to 12 months. We intend to use the reserves in the following manner:

- a. to meet unexpected expenditure or contingencies
- b. to cover for delays between spending and receipt of donations or grants.

The EXCO regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

Purposes of restricted funds:

- (i) Building Reserve
This is meant for the renovation, maintenance and payment of repair services for the leasehold building.

SAS has plans to perform a total facility review in FY20 to improve the use of our building space and create new facilities to meet our evolving needs. SAS intends to use the Building Reserve to pay for the cost of these renovations, after defraying any funding obtained.

- (ii) Computerization Fund
This is to be used for SAS' IT system upgrades.

In April 2019 (after the financial year), SAS engaged a consultant to perform a review of its IT security. SAS intends to use the Computerization Fund to make the necessary IT security enhancements based on the review.

- (iii) Bob and Hazel Booker Memorial Fund (previously named as R.K. Booker Memorial Fund)

This is used for giving out scholarships and training for SAS' staff.

SAS plans to utilize this fund for ongoing staff training expenses.

Highlights of Our Work: Programmes and Activities

Collaboration with TTSH and IC on 3 care bundles

SAS's Nursing Department successfully completed the collaboration with Tan Tock Seng Hospital (TTSH) and Agency Integrated Care (AIC) in administering two care bundles. They are:

- a. Urinary Tract Infection care bundle (from 3 Oct 2017 to July 2018)
- b. Fall Prevention care bundle (from May 2018 to Jan 2019)

The objectives of the care bundles are to:

- i. reduce the number of Emergency visits and admission to hospitals;
- ii. improve quality of care indicators;
- iii. cultivate a proactive mindset on the care staff;
- iv. provide better care of the residents;
- v. upskill Nursing Home staff; and
- vi. standardize workflows, improve documentation and improve communication among all healthcare staff including physicians and allied health care staff.

In addition, in collaboration with TTSH, SAS also participated in the Pneumonia Prevention Care bundle poster competition for CHALK (Central Health Action & Learning Kampung) held on 29 November 2018. The competition was organised by TTSH and the theme was "Collaborating to Improve and Deliver Care in the Community". SAS won the 'People's Choice Poster' award.

Collaboration with IMH APCATS (Aged Psychiatry Community Assessment and Treatment Service)

Training of staff is critical at SAS as the Home takes care of residents of different medical conditions.

Since October 2018, SAS has sent our staff to attend basic and intermediate dementia course with the objective of building a dementia friendly environment that can translate to better care for our residents with dementia.

Annual Nurse's Merit award by MOH

The Ministry of Health holds its Nurse's Merit Award every year. The awards are given to those who have participated in professional development and have made contributions to promote the nursing profession.

SAS Assistant Nurse Clinician Molly Daw Aye Aye Thant had the honour to receive the award on 17 July 2018.

Community mobility and integration



Rehabilitation is not confined within the walls of the gym but has gone beyond our compounds and into the community. To illustrate this, since 17th May 2018, multiple outings had been arranged to take our residents into the community.

Our residents had the experience of taking an MRT train and exercising their higher cognitive functions by strategizing to win the SAS amazing race held at the Changi Airport terminals. To fulfil one resident's wish to see a panda, a therapeutic outing that targeted improving social

cohesion through a photography focused trip was planned. 17 residents set off to the Singapore River Safari on 12th September 2018. To fulfil one resident's wish to see a panda, a therapeutic outing that targeted improving social cohesion through a photography focused trip was planned. 17 residents set off to the Singapore River Safari on 12 September 2018.

On 31 January 2019, 14 residents resumed their yearly pilgrimage to Kwan Im Thong Hood Cho temple on as part of reliving their experiences

on preparations done before Chinese New Year. Lastly, the outing on the 21st March 2019 to the Gardens by the Bay for 10 bedbound residents engaged those residents with limited abilities and opportunities to heighten their senses with the colours, scents, textures and ambience of the Sakura themed Flower Dome. textures and ambience of the Sakura themed Flower Dome.



PCF-SAS Intergenerational programme

Following on the success of the AIC inter-generational pilot, SAS and PCF sparkle tots were determined to ride on the momentum gained by our inter-generational activities and sustained collaboration. Improvements made to the programme include doubling the interaction time between the old and young, increasing the variety and therapeutic nature of activities and a meet-the-parents' session at PCF by our CCR and Rehabilitation staff. Intergenerational programmes and activities now form an integral and consistent part of our residents' schedule where our residents play multiple roles such as a teacher, a mentor, a playmate and a friend to our younger generation.

Chest physiotherapy and palliative care

The Rehabilitation Department started with the intention to render chest physiotherapy to at least 30 residents a month in May 2017. Moving beyond this pilot phase, in FY19, our physiotherapist went full steam with the objective to provide comfort to residents at the end of life, reduce distress from symptoms and maintain dignity. Some examples of techniques employed in chest physiotherapy are postural drainage, chest percussion and deep breathing exercises. In collaboration with TTSH's project care team, our physiotherapist complements this palliative care service by upholding high quality of care for our bedbound and dying residents.

Reminiscence – good times & bad times

Reminiscence Therapy (RT) involves sharing thoughts and feelings of one's experiences to recall and reflect upon the important events in one's life, with another person or group of people. The ability to recall and reflect help residents remember who they used to be in order to help them define their identity in the current moment. It gives them a sense of continuity in terms of their life events.

The Medical Social Services Department kick-started RT sessions with 7 male residents from March to May 2018 with different aims and objectives from our regular Rehabilitation Reminiscence therapy. Tangible prompts such as photographs, household items and other familiar items from the past, music and archive sound recordings were used to facilitate the reminiscence sessions.

The sessions for female residents were conducted from October 2018 to January 2019. Topics were "Getting to Know You", "A trip to the National Museum", "Growing Up Years", "Working Life", "Food and Cooking" and "Celebration (Chinese New Year)".

SAS 50th Anniversary Event (Open House & Dinner)



2018 marked the 50th year of SAS. To celebrate this milestone, the Home opened its doors to the public to join us on the Sunday afternoon of 15 July 2018. Flyers were distributed to residents in the surrounding neighbourhood as an invitation to spend a day with us at the Home.

Staff of SAS came together and put up a short performance while the various Departments supported the event by conducting tours of the Home and giving presentations about the Home to the public - to share the good works the Home has done.

The day ended with an evening spent with our special guests, board members, donors, volunteers and staff over dinner. It was a day for SAS to show appreciation to the various stakeholders who have played an important role in growing the Home together with us and making it possible for us to fulfil our mission of providing care to the less privileged in the Society.



We were honoured to have our President of Singapore, Mdm Halimah Yacob, to grace the event and join us in this memorable and meaningful milestone. We were also honoured to have the Minister of Health, Mr Gan Kim Yong, Chairman of Charity Council, Dr Gerard Ee and Grassroots Adviser to Aljunied GRC, Mr Alex Yeo, to join us in this joyous event.

Residents were overjoyed at the news of our President's visit and showcased their "ang gu kueh" making skills from a leaf, which is part of their weekly reminiscence therapy.

Mr Ng Chor Khiaw, a bedbound resident with old stroke, was highlighted in President Halimah's speech for his perseverance in his physiotherapy sessions that he now is able to ambulate with supervision using a quad stick. Our resident gardener, Mr Tan Hong Lian, was beaming with delight when he entrusted the President with one of the flowers in the residents' garden, a bright orange coloured rose.

A commemorative book was published by SAS to mark this 50th Anniversary and to share the history of the Home with our friends and supporters. Our Minister of Health, Mr Gan Kim Yong, also graciously accepted our invitation to the book signing ceremony, witnessed by our President, Mdm Halimah Yacob, and 2018 President of SAS, Mr Eric Teoh. With the lovely musical performance prepared by the girls from CHIJ Kellock School to accompany the audiences of that night, it was a night filled with warmth and love, celebrating the significance of SAS' existence of 50 years.

Project Makan

Project Makan! is an initiative by the Home that aims to deliver a wide array of food choices to our residents of different dietary restrictions at least twice a month.

For most of us, whenever a craving hits, we can almost effortlessly head to a nearby hawker centre or food court to satisfy that craving. As more than 90% of our residents are wheelchair-bound, it is a real challenge for them to travel out of the home to get their favourite local dishes for meals.

While SAS has an in-house kitchen that provides meals to our residents, the Home also recognizes that our residents yearn for something different from their routine meals. It is of no surprise that food can often spark conversations amongst them and improve their psychosocial being.

Since its inception in 2017, the Home has provided food such as hor fun, whipped potato and yam paste for our residents.



Outings by Volunteers

Throughout the year, SAS and our residents continue to benefit from various volunteers and organizations who organize outings and events for us. With the financial and logistical aid from them, our residents were able to visit many places of interest such as Chinatown, Singapore Zoo and Gardens by the Bay. Our residents also had the privilege to be invited to various events and celebrations like schools' community day, charity dinners and special festival celebrations. It is a nice treat for them to get out of the Home as these trips provide opportunities for our residents to connect with the community and experience the changes and developments in society.





Push Cart Sponsorship + Event by SMMWU

Reminiscence therapy has proven to be an effective way to engage the elderly. To enhance this experience and with the aim of engaging our bed-ridden residents, SAS embarked on the call for sponsorship and manufacturing of the push carts for the Home. The push cart was designed to be compact – to allow easy movement into the wards to reach the bedridden residents – recognizing that we can bring that “old style hawker” experience to them.

It was a tremendous encouragement when SMMWU helped the Home to raise funds for the manufacturing of the push carts. Besides fundraising, SMMWU also brought joy to the residents by providing “live” station lor mee, lovingly prepared on the spot by the owners of Ah Ma Lor Mee. Catered bento sets were also provided for the residents who preferred an alternative to the lor mee, and truly, a full belly makes for a happy heart.

Artwork created by Residents for Fundraising

SAS is privileged to be one of the beneficiaries of Keppel's annual fundraising event. Besides being a recipient, our residents were also given opportunities to show their appreciation by contributing handmade thank you cards for the donors and tea-light holders for the event.

Residents gathered and used the marbling art technique in creating an organic and accidental artwork to be used as the thank-you card. Each card is unique – symbolizing the uniqueness of each donor. Besides showing appreciation to the donors, the Home believes in consistently exposing our residents to different activities to stimulate their minds and keep them engaged.



SAS' Family Day

On this dedicated Family Day on 15 December 2018, residents' families were invited to our Home to join their loved ones in spending some quality time at our Home. Performances, food and a photo-taking session were arranged in the hope of creating and capturing fond memories of the event for the residents and their loved ones.

Volunteers from Rotary Club of Sentosa Singapore specially came down to the Home to put on make-up for our residents and take pictures for the residents and their families. The family photos were also developed, framed and given to them as keepsakes.

As the saying goes, “a picture speaks a thousand words”, the smiles on the photographs definitely made the event a fruitful and deserving one.



BBQ Session

In early 2019, monthly BBQ sessions were planned with the aim of providing our residents the opportunity to enjoy different kinds of food. The activity also aims to provide sensory stimulation to the residents through smells, textures and taste of the food.

Held at our level 3 rooftop, residents get to enjoy freshly grilled food in a casual outdoor setting, with the companionship of volunteers and music. Through this BBQ session -- an activity where all ages are likely to enjoy -- we hope to bridge the gap between the younger generation and seniors - noticing that young people might not have an interest in the activities that seniors typically take part in, like mahjong and oldies karaoke.

In addition, these inter-generation interaction offers our residents a chance to interact with the younger generation, and create opportunities to learn about new technology and trends, and experience the excitement of seeing the world through a younger generation's perspective. Through such activities, we hope the interaction would also give our residents a continued sense of belonging in the community and society.



Chinese Opera by Esplanade

In collaboration with Esplanade, the team brought down an Opera group from Taiwan to spend an afternoon with the residents at our Home. Founded in 1929, Ming Hwa Yuan Arts & Cultural Group has made significant impacts in Taiwanese traditional opera scene. As the group was performing at Esplanade Theatre in Singapore, it made a special stopover at our Home to put up a show for our residents.

Understanding that most of our residents are wheelchair bound, travelling out of the Home to watch a show will require huge resources. However, the challenge was immediately addressed when the troupe made its appearance at our very own premises.

From its elaborated costumes to thrilling serial stunts, the group kept the audiences engaged and entertained throughout the whole performance. A quality performance definitely makes a difference to the lives of elderly here.



Monthly Hair Cut

SAS is privileged to have one of our regular volunteers, Ms Betty Yu, in helping us with organising and gathering of volunteers for our monthly haircut since April 2018.

Together with volunteers from Cheng Hong Welfare Society as porters and hairstylists from Vintage Studio and Fabulous Club, our sessions provide haircut to our residents including those who are bed-bound.

A new haircut makes our residents look and feel better about themselves — it increases one's self esteem. They look forward to each haircut session with some of them wheeling themselves to the haircut location to be first in line. From March 2019, we have increased the frequency to twice a month with a new volunteer group May and Friends joining us. With this volunteer initiative, we lessen the load of our healthcare staff who used to cut our resident's hair.

Improving Operational Effectiveness

In order to effectively manage the Operations of the Home, efforts to relook into the processes were made.

The Operations Department made several equipment purchases during the year to enhance operational effectiveness.

These include the Installation of two new dryers with 37kg capacity, which has helped the Home to:

- Lower the laundry operation hours by 2-hour daily;
- Allow the department to wash more linens which serve as buffer for residents;
- With sufficient linens, staff can rest on Public Holidays and Sundays;
- Increase overall operation efficiency and save more energy;

- and
- Handle all the bedsheets and blankets for all wards.

The installation of "combi ovens" in the kitchen has enabled the following improvements:

- Adoption of healthier method of cooking e.g. baking or steaming instead of stir-frying;
- Healthier foods (with less oil) for staff and residents;
- Reduce cooking time by approximately 10% - 15% daily;
- Ability to assign more staff for server on lunch or dinner hours;
- Assign staff for better housekeeping in the kitchen area; and
- More time for food preparation and menu improvisations.



Fundraising Event: SAS' 50th Anniversary Golf Fundraising event

SAS held its inaugural Charity Golf event on 29 November 2018 at the beautiful sunny island, Sentosa Golf Club (Tanjong course).

With the rising cost of operating nursing homes in Singapore, SAS must ensure its day-to-day operations are well-managed and SAS stays afloat financially. In August 2018, SAS entered into a fresh 30-year term for its lease of its existing premises. Approximately \$6.7 million was expended for this, giving SAS an urgency to step up its fundraising outreaches.

The Golf Fundraising event was carried out, and through this event, we managed to raise \$252,000. This amount also qualified for a funding of \$100,000 from Tote's Board to encourage philanthropic giving, in which SAS received a total of \$352,000 from this fundraising event.

SAS' EXCO members, together with friends and supporters of SAS, supported the event through the purchasing of golf flights and donations. In the spirit of giving, and not forgetting having fun, the group gathered for the golf games and ended the night with dinner, celebrating the contributions they have made for the benefit of the Home.



Volunteers

Venkat Mukkala



“

I started in end of 2018 when I found the Kopi with Me programme in Giving.sg. After joining my first Kopi with Me, I felt it was very meaningful and it was good to accompany the residents as they tend to be lonely in the ward. The resident I was paired with was a fellow Indian as well, and he told me there was no one to talk to him in the ward. I am glad to be able to provide company to the residents and give them a chance to enjoy outside food.

Currently, I am volunteering with other organizations as well. However, the Kopi with Me at SAS is the top priority amongst my volunteering work and I try not to miss it. During the Kopi with Me, I assist the staff with assigning the volunteers to different groups, wheeling residents to the nearby coffee shop, paying for their meals and keeping them company. After each session, I feel very motivated to continue as I can see that the residents greatly appreciate each trip and it makes them happy.

In the past I also volunteered for the Cook with Me whenever I have my off days, last year's SAS 50th Anniversary and am also befrienders to 2 residents.

So far my experience here has been very good. The staff are very nice and polite. They give us great support and that motivates me to continue coming. I appreciate the SAS staff for going beyond their job and are genuinely concerned about the resident's wellbeing. I have introduced few of my friends and colleagues to volunteer here at SAS. In fact, a group of us have an upcoming plan to sponsor a Kopi with Me session.

Tell us more about yourself...

I came to Singapore from India 6-7 years ago and I am working in DBS doing IT. On my off days, I am either volunteering or reading books and meeting with my friends. I have volunteered at places like Willing Hearts, Whampoa Community Club and other nursing homes.

”

Jingle Chen



“

My first encounter with SAS was when my good friend Betty invited me to join a coffee outing with the residents where we were supposed to push the residents in their wheelchairs to a nearby coffee shop to have a meal. We bought their favourite food and engage with them during the session. It was a fulfilling day.

Since the outing, I have decided to join Betty's Fabulous Volunteer Club in 2016 and have visited the residents weekly.

On our weekly visits, we buy them their favourite hawker food like Hokkien Mee, Lor Mee, Chee Cheong Fun and sometimes even Pizza! I am surprised they love Pizza so much! We serve them, feed them when necessary, chat with them, bring laughter to them and at times also being their listening ear. To make them feel wanted, we also celebrate their birthdays and occasions like CNY and Christmas.

During my serving year 2016 – 2018, I was self-employed working as a remisier in the stock market where I have the flexibility to manage my time. Since early 2018 till now, I have changed to a full time job as a senior energy consultant yet it did not stop me from volunteering. The happiness and smiles I see in them on my weekly visits is what money cannot buy. I hope there will be more volunteers like me that are able to make time for the residents.

I would like to thank Fabulous Volunteer Club and SAS for giving me the opportunity to serve and thank God I am able to share my blessings. Thank you.

”

What our Residents Say..

Louis Chan



“

When did you start volunteering at SAS?

I started as a volunteer at SAS around October 2017. It was my close friend Ms Betty Yu, the founder of Fabulous Club who invited me to join her as volunteer.

Why did you choose to volunteer at SAS?

After my first visit to SAS, I realized that some of the residents were without families, and mostly were diagnosed with multiple health problem. As a Christian, I somehow felt there's a calling for me to help them overcome their loneliness and relief their emotional stress by understanding their problems and talking to them when I visit on a weekly basis.

What volunteering role did you assume at SAS?

In Fabulous Club, all the volunteers have multiple roles, every week we will provide lunch for the residents. As for me, I have to ensure that all the residents are transferred to the dinner area in orderly form, after which my team members and myself will serve them with their favourite foods. I will then pack additional dry foods for the residents to bring back after lunch so that they can partake later in the afternoon when they are hungry.

What interest you most about volunteer work here and what motivates you to continue volunteering?

After speaking to the residents, I realized that they are actually quite cheerful in their mindset despite their current health conditions. Knowing that all the residents are delighted and are always looking forward to meet me and my team members, it gives me the motivation and dedication to continue my volunteering weekly at SAS.

What challenges do you face?

Fabulous Club is not a big charity organization; we have limited volunteers assisting to take care of the residents every week. On certain occasion, we are short of volunteers but we still managed to meet resident's expectation. It would be helpful if SAS could assist our team members by transferring some of the residents to the dining area on weekly basis.

Anything you want to share with fellow or potential volunteers?

After seeing the health conditions of the residents, with some of them fighting and struggling, trying to prevent their condition from deteriorating, I feel that we should encourage more people who are willing to sacrifice their time to come forward as a volunteer so that we can bring joy and love to the residents. They need our encouragement and motivation to overcome their loneliness at the SAS.

Tell us more about yourself

I am a fitness coach and fitness athletic. I manage a gym in a club and I am the founder of ISSA Academy Singapore. My job is to help healthy and unhealthy people lead a healthy lifestyle. I enjoy what I am doing and I often advise my clientele and my friends to exercise regularly and eat healthy.

”

I am always happy when volunteers come to hold events for us. Most volunteers take good care of us and are attentive to our needs. Without these events, I would have ran away from this place long ago.

— Lee Dan Lin, T8

The volunteering programmes in the Home is very good. My favourite activities are outings, karaoke and Project Makan where food is catered for us. I am thankful for volunteers and always happy when they come.

— Tan How Yan, M2

I know that outings are expensive to organize for us elderly especially since we are on wheelchairs. So, I'm really very appreciative of those who take their time and money to bring us out. I am also appreciative of Project Makan and to the Management who arrange it for us and for donors. I always look forward to it. Speaking of which, when is the next one going to be and what are we eating? Ooh Hor Fun my favourite. Remember to take some green chilli for me ok?

— Chua Hwee Keng, M3

I love it when volunteers come to visit us. I'm grateful and appreciative that they spend their precious time to give us fun and joy. Although it is just to the nearby coffee shop to drink coffee and eat something different, we really enjoy it. Without the volunteer holding events and bringing us out, we would just be eating and sleeping all day.

— Tan Hong Lian, T6

The Year Ahead: Future Plans and Commitments

1. New 4-storey annex building

As at 31 March 2019, SAS has capital commitments amounting to \$553,289 pertaining to the construction of a 4-storey annex building providing staff and storage facilities. Construction commenced on 6 February 2018 and SAS obtained the Temporary Occupation Permit for the building on 30 April 2019 (after the financial year).

2. Dementia-friendly improvement works program

During the financial year ended 31 March 2019, SAS has participated in the dementia-friendly improvement works program supported by the Ministry of Health. The aim of the program is make our facilities safer and more dementia-friendly for our residents, which in turn allows us to provide better care for the residents.

To assist us in this, SAS has appointed a consultant to provide advice and resources as a subject matter expert in the field of dementia design to plan dementia friendly improvement works, and the consultant will work with SAS' project team and our appointed architect to create dementia-friendly spaces, furnishings and fittings within the Home. The upgrading works are estimated to be completed by December 2020. In addition, our staff will receive training to better equip themselves with knowledge in dementia care.

3. Wellness Support Package

In June 2018, SAS embarked on the Wellness Support Package (WSP), supported by the Agency for Integrated Care and funded by the Tote Board Community Healthcare Fund. The purpose of the WSP is to enhance the frequency, quality and variety of recreational activities, so as to improve residents' activity satisfaction levels and quality of life. More structured and evidence-based activities are introduced in the areas of art, physical leisure, music and social.

The WSP will run for a period of 3 years from June 2018 to May 2021. SAS has also appointed Alzheimer's' Disease Association (Singapore) to be the consultant to provide training and coaching to our staff to build activity capabilities over this 3-year period.

4. Construction of an End-of-Life Care Room

SAS recognizes that the environment plays a critical role in transforming service development and delivery for those at the end of life, and those who are bereaved or deceased.

In a move to offer dignity and privacy for residents reaching the end of life and their loved ones, SAS has plans in the next year to redesign and refurbish a room to provide a sensitive, calm and quiet environment for them on this emotional journey, away from the 8-bedded wards where death takes place currently.

Governance

Role of the Executive Committee (EXCO)

The EXCO's role is to provide strategic direction and oversight of SAS' programmes and objectives and to steer it towards fulfilling its vision and mission through good governance. As part of its role, the following matters require EXCO's approval:

- Approve budget for the financial year and monitor expenditure against budget;
- Approve audited annual financial statements;
- Regularly monitor the progress of SAS' programmes;
- Strategic plan;
- New policies and revisions to existing policies; and
- Award of vendors for expenditure exceeding \$20,000

EXCO Election and Term Limit

Under SAS's constitution, EXCO members are elected at alternate Annual General Meetings. Members of EXCO therefore generally serve terms of about two years. However, 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 current term of all the EXCO members in office as at the date of this report continue until the SAS's annual general meeting in September 2020.

The EXCO has approved a policy on renewal (the "Policy") under which succession planning has to ensure that the EXCO has an appropriate mix of skills, experience and expertise to support the Society's mission, objectives and strategies on an on-going basis. Under the Policy, EXCO members are generally expected to serve for no more than five consecutive terms but an EXCO member may, on the recommendation of the Governance Sub-Committee, be requested by the EXCO to serve for such further periods if the EXCO determines that such member's skill sets, experience and expertise are necessary for the continued support of SAS's mission, objectives and strategies.

Mr Eric Teoh Cheng Eam, PBM, Mrs Liew Soo Wah, BBM and Dr. Timothy Teoh Chi-Chan have each served on the EXCO for more than 10 consecutive years. For their respective skills sets and expertise as more particularly described below, they are valued members of the EXCO and on the recommendation of SAS's Governance Sub-Committee, the EXCO desires them to remain members of the EXCO for continued support and furtherance of SAS's mission, objectives and strategies.

Mr Teoh, a member of the EXCO since 1991, currently serves as the Immediate Past President. He also currently serves on SAS's Finance and Investment Sub-Committee and Fundraising Sub-Committee. Mr Teoh was Deputy President from June 1997 to 21 June 2002 and President from 21 June 2002 to 29 June 2010 and from 19 June 2012 to 21 September 2018. Mr Teoh's foresight, knowledge and expertise in respect of the nursing home sector and his connections and network for funding-raising are invaluable resources for the EXCO and SAS as a whole. His early recognition of the implications of Singapore's low fertility rate and smaller family size steered the growth and expansion of SAS's nursing home and its facilities in planned phases in good time to meet the increased demand for SAS's nursing home beds. This development and expansion, which saw SAS's nursing home bed capacity increase from 192 beds to 404 beds, are major milestones for SAS which the EXCO credits principally to Mr Teoh's foresight, knowledge and experience. Mr Teoh is also the key driver behind SAS's fundraising efforts and his position on the EXCO is the critical pull factor as the donors donate to SAS because of Mr Teoh's association with SAS as an EXCO member. Furthermore, Mr Teoh's long service on the EXCO makes him a veritable "knowledge bank" and "institutional memory" and as the EXCO undergoes change and renewal from time to time, he is the key link for the filling of "gaps" in knowledge or history.

Mrs Liew, an EXCO member since 21 June 2002, currently serves on SAS's Human Resource Sub-Committee and served on SAS's Medifund Committee from 1 April 2005 to 30 June 2015. Mrs Liew's connections and network with various grass roots organisations both within the Hougang/Paya Lebar area (where SAS's nursing

home is located) and elsewhere in Singapore and her commitment to SAS are invaluable resources for the EXCO and SAS as a whole. Mrs Liew's connections and network are the reason SAS enjoys the benefit of a steady supply of volunteers ready to help SAS, even at short notice. Mrs Liew is also the key driver behind the many donations in kind such as provisions of rice, oil, sugar etc., all of which SAS needs plentifully and regularly in its kitchen in order to provide food to approximately 650 people daily comprising both the nursing home residents and staff. When SAS runs short of these provisions, Mrs Liew is ready to help procure some donations. Mrs Liew's position on the EXCO is a critical pull factor as the donors donate to SAS because of her association with SAS as an EXCO member. Mrs Liew's commitment to SAS extends to helping the residents of the nursing home even in more personal ways such as arranging for haircuts for the residents, endeavouring to fulfil their wish lists, organising birthday celebrations for the residents as well as other celebratory events.

Dr. Teoh, a member of the EXCO since 24 June 2008, currently serves as the President. He also serves as the Chairman of the Home Management and Quality Assurance Sub-Committee and previously served on SAS's Medifund Committee, first as member from 1 April 2003 to 30 June 2011 and then as Chairman from 1 July 2011 to 31 March 2019. Dr. Teoh is a medical doctor by training and his skill sets as a medical doctor are particularly valuable for SAS because health considerations are involved in the running of a nursing home. SAS as a nursing home provider is required to have a quality assurance committee comprising of two or more persons including doctors (or nurses or allied health staff). With Dr. Teoh serving on SAS's Quality Assurance Sub-Committee, his medical expertise is relevant for SAS's Quality Assurance Sub-Committee as for example in monitoring and evaluating the quality of services provided at SAS's nursing home and to come up with recommendations for improvement. Furthermore, SAS will be undertaking some renovation works to make its nursing home more "dementia friendly" and Dr. Teoh will be able to bring value to EXCO's deliberations on these works because of his medical expertise.

EXCO Meetings and Attendance

A total of eight Executive Committee meetings were held during the financial year from 1 April 2018 to 31 March 2019. The following sets out the individual Executive Committee member's attendance at the meetings:

Names of Executive Committee members	Designation	% of EXCO Meeting Attendance
Dr Timothy Teoh Chi-Chan	President	75%
Mr Eric Teoh Cheng Eam	Immediate Past President	100%
Dr Chook Kum Kay	Deputy President	62.5%
Mr Chew Loy Cheow	Deputy President	87.5%
Ms Sharmini Chitran	Honorary Secretary	87.5%
Mr Tan Puay Lit	Honorary Treasurer	37.5%
Mr Ronald Wong Kin Wai (appointed on 29 January 2019)	Honorary Assistant Treasurer	100%
Mrs Liew Soo Wah	Committee Member	75%
Mr Yeo Chuen Eng	Committee Member	62.5%
Dr Richard Tan Han Shing	Committee Member	62.5%
Mr Lim Felix Eugene	Committee Member	75%
Ms Wendy Soh	Committee Member	50%
Mr Theodor Tan Kern Hur (appointed on 29 January 2019)	Committee Member	100%

Disclosure of Remuneration and Benefits received by EXCO Members

No EXCO members were remunerated for their EXCO services in the financial year.

Disclosure of Remuneration and Benefits received by Management Team

The remuneration received by the Management Team can be found in Note 3 of the Financial Statements. None of the Management Team members serves on the EXCO.

Conflict of Interest Policy

SAS 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 SAS 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 SAS.

Whistle Blowing Policy

SAS has established a whistle-blowing policy to address concerns about possible wrong-doing or improprieties in financial or other matters within the Home.

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.

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 2019

SOCIETY FOR THE AGED SICK


Statement by Executive Committee

In the opinion of the Executive Committee,


- (a) the accompanying financial statements of Society for The Aged Sick (the "Society") are drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and Singapore Financial Reporting Standards (SFRS), so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2019 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



Dr Timothy Teoh Chi-Chan
President



Mr Tan Puay Lit
Hon. Treasurer

21 August 2019

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

RSM Chio
8 Wilkie Road,
Wilkie Edge, Singapore
T +65 65:
F +65 65:
Audit@RSMSing:
www.RSMSing:

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 2019, 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 Singapore Financial Reporting Standards (SFRS) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2019 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.

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

– 2 –

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 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.

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

– 3 –

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

- 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 appeals.

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

– 4 –

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

21 August 2019
Engagement partner – effective from reporting year ended 31 March 2017

SOCIETY FOR THE AGED SICK

**Statement of Financial Activities
Year Ended 31 March 2019**

2019	Notes	UNRESTRICTED			RESTRICTED				Total \$	
		Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Sub- Total \$	Building Reserve \$	Computer -isation Fund \$	Bob and Hazel Booker Memorial Fund \$		Sub-Total \$
Income Resources:										
<u>Income resources from generated funds</u>										
<u>Grants</u>										
Government subvention grants		8,359,904	-	-	8,359,904	-	-	-	-	8,359,904
Other government funding	4	1,253,473	-	-	1,253,473	-	-	-	-	1,253,473
Income from residents		2,480,188	-	-	2,480,188	-	-	-	-	2,480,188
Voluntary income -										
Donations	5	1,240,774	-	-	1,240,774	-	-	20,000	20,000	1,260,774
<u>Other Income</u>										
Interest income	6	(62,563)	238,124	-	175,561	-	7,176	3,720	10,896	186,457
Government grant income	7	141,303	-	-	141,303	-	-	-	-	141,303
Subscription fee income	7	15	-	-	15	-	-	-	-	15
Amortisation deferred building grant	22B	617,049	-	-	617,049	-	-	-	-	617,049
Amortisation of deferred government grant	22D	80,610	-	-	80,610	-	-	-	-	80,610
Total incoming resources		14,110,753	238,124	-	14,348,877	-	7,176	23,720	30,896	14,379,773
Resources Expended:										
Employee benefits expense	8	8,732,433	-	-	8,732,433	-	-	4,635	4,635	8,737,068
Resident nursing care costs	9	1,285,008	-	-	1,285,008	-	-	-	-	1,285,008
Facilities management, maintenance and other ancillary costs	10	1,797,331	-	-	1,797,331	-	-	-	-	1,797,331
Administrative expenses	11	2,462,648	-	-	2,462,648	-	-	-	-	2,462,648
Loss on disposal of plant and equipment		-	-	-	-	-	-	-	-	-
Total resources expended		14,277,420	-	-	14,277,420	-	-	4,635	4,635	14,282,055

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

6

SOCIETY FOR THE AGED SICK

**Statement of Financial Activities
Year Ended 31 March 2019**

	UNRESTRICTED			
	Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Sub-Total \$
2019	Notes			
(Deficit) / Surplus for the year		(166,667)	238,124	71,457
Balance at 1 April 2018		12,656,360	5,527,403	18,186,763
Balance as at 31 March 2019		12,489,693	5,765,527	18,258,220

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

SOCIETY FOR THE AGED SICK

**Statement of Financial Activities
Year Ended 31 March 2019**

		UNRESTRICTED				RESTRICTED				
	Notes	Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Sub-Total \$	Building Reserve \$	Computer -isation Fund \$	R.K Booker Memorial Fund \$	Sub-Total \$	Total \$
2018										
Incoming Resources:										
<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
Other Income										
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
Resources Expended:										
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

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

SOCIETY FOR THE AGED SICK

**Statement of Financial Activities
Year Ended 31 March 2019**

		UNRESTRICTED			RESTRICTED			
		Accumulated Fund	Compensation Fund	POSB Centenary Fund	Building Reserve	Computerisation Fund	R.K Booker Memorial Fund	Total
		\$	\$	\$	\$	\$	\$	\$
2018	Notes							
(Deficit)/surplus for the year		(605,322)	215,690	-	-	6,500	2,771	(380,361)
Balance at 1 April 2017		13,261,682	5,311,713	3,000	2,629,081	160,066	68,230	21,433,772
Balance as at 31 March 2018		12,656,360	5,527,403	3,000	2,629,081	166,566	71,001	21,053,411

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

SOCIETY FOR THE AGED SICK

Statement of Financial Position As at 31 March 2019

	Notes	2019 \$	2018 \$
Assets			
<u>Non-current assets</u>			
Property, plant and equipment	13	7,688,423	6,050,524
Other non-financial assets, non-current	15	5,948,619	—
Other financial assets – available-for-sale	14	—	505,000
Other financial assets – FVTOCI	14	505,000	—
Total non-current assets		<u>14,142,042</u>	<u>6,555,524</u>
<u>Current assets</u>			
Trade and other receivables	16	798,794	655,507
Other non-financial assets, current	17	272,587	30,866
Cash and cash equivalents	18	13,661,878	23,029,261
Total current assets		<u>14,733,259</u>	<u>23,715,634</u>
Total assets		<u>28,875,301</u>	<u>30,271,158</u>
Funds and liabilities			
<u>Unrestricted funds</u>			
Accumulated fund		12,489,693	12,656,360
POSB Centenary fund	20	3,000	3,000
Compensation fund	20	5,765,527	5,527,403
Total unrestricted funds	19	<u>18,258,220</u>	<u>18,186,763</u>
<u>Restricted funds</u>			
Building reserve	20	2,629,081	2,629,081
Computerisation fund	20	173,742	166,566
Bob and Hazel Booker Memorial Fund	20	90,086	71,001
Total restricted funds		<u>2,892,909</u>	<u>2,866,648</u>
Total funds		<u>21,151,129</u>	<u>21,053,411</u>
<u>Current liabilities</u>			
Trade and other payables	21	935,933	1,368,596
Other liabilities	22	6,788,239	7,849,151
Total current liabilities		<u>7,724,172</u>	<u>9,217,747</u>
Total funds and liabilities		<u>28,875,301</u>	<u>30,271,158</u>

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

SOCIETY FOR THE AGED SICK

Statement of Cash Flows For the Reporting Year Ended 31 March 2019

	2019 \$	2018 \$
<u>Cash flows from operating activities</u>		
Net surplus (deficit) for the reporting year	97,718	(380,361)
Adjustments for:		
Interest income	(186,457)	(244,806)
Amortisation of deferred building grant	617,049	1,409,105
Amortisation of deferred capital grants	80,610	81,310
Depreciation of plant and equipment	1,190,069	2,339,483
Loss on disposal of plant and equipment	—	183,076
Operating cash flows before changes in working capital	<u>1,798,989</u>	<u>3,387,807</u>
Trade receivables and other receivables	(205,850)	(31,596)
Other non-financial assets, non-current	(5,948,619)	—
Other non-financial assets, current	(241,721)	71,275
Cash restricted in use (Note 18A)	10,945,363	(1,985,857)
Trade payables and other payables	(432,663)	337,746
Other liabilities	<u>(1,758,571)</u>	<u>(1,807,667)</u>
Net cash flows from (used in) operating activities	<u>4,156,928</u>	<u>(28,292)</u>
<u>Cash generated from investing activities</u>		
Proceeds from disposal of plant and equipment	—	200
Purchase of property, plant and equipment	(2,827,968)	(457,285)
Interest received	249,020	224,960
Net cash flows used in investing activities	<u>(2,578,948)</u>	<u>(232,125)</u>
Net increase (decrease) in cash and cash equivalents	1,577,980	(260,417)
Cash and cash equivalents, statement of cash flows, beginning balance	<u>6,172,385</u>	<u>6,432,802</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note 18)	<u>7,750,365</u>	<u>6,172,385</u>

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

SOCIETY FOR THE AGED SICK

Notes to the Financial Statements 31 March 2019

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 an approved Institution 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 2019 are authorised for issuance by the Executive Committee on the date of the statement by the Executive Committee.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. The Society is also subject to the provisions of the Charities Act, Chapter 37. They are in compliance with the provisions of the Societies Act, Chapter 311 and Charities Act, Chapter 37.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

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.

SOCIETY FOR THE AGED SICK

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Incoming resources

(a) Rendering of service

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

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.

Revenue from rendering of services that are of short duration is recognised at a point in time when the services are completed.

(b) 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 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.

(c) Donation and corporate cash sponsorship

Revenue from donations and corporate cash sponsorships are recognised in the statement of financial activities when the right to receive is established, except for committed donations and corporate cash sponsorships that are recorded when the commitments are signed.

(d) Income from fund-raising projects

Revenue from special fund-raising events is recognised when the event takes place.

SOCIETY FOR THE AGED SICK

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

2A. Significant accounting policies (cont'd)

Incoming resources (cont'd)

(e) Interest 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

Donations in kind are 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 a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

SOCIETY FOR THE AGED SICK

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

2A. Significant accounting policies (cont'd)

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Property, plant and equipment

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. Depreciation is provided on a straight-line method 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 annual rates of depreciation are as follows:

Leasehold building	-	30 years
Furniture and equipment	-	3 to 10 years
Motor vehicles	-	5 years
Construction in progress	-	Not depreciated

Effective from 1 September 2018, the Society changed its depreciation method for leasehold building from reducing balance method to the straight-line method due to the renewal of land lease period for another 30 years with the Singapore Land Authority. Based on financial reporting standards, the Society determined that the change in depreciation method from reducing balance method to a straight-line method is a change in accounting estimate affected by a change in accounting principle. A change in accounting estimate affected by a change in accounting principle is to be applied prospectively. The carrying value of the leasehold building subsequent to 1 September 2018 will be depreciated using the straight-line method prospectively. As a result of the change to the straight-line method of depreciating leasehold building, depreciation expense decreased by \$736,122 and the surplus of the Society increased by \$736,122 for the current reporting year.

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.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. 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 profit or loss when they are incurred.

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

Financial instruments**Recognition and derecognition of financial instruments:**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

2. Significant accounting policies and other explanatory information (cont'd)**2A. Significant accounting policies (cont'd)****Financial instruments (cont'd)****Classification and measurement of financial assets:**

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): A debt asset instrument is measured at fair value through other comprehensive income (FVTOCI) only if it meets both of the following conditions and is not designated as at FVTPL, that is (a): the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are not reclassified subsequent to their initial recognition, except when, and only when, the reporting entity changes its business model for managing financial assets (expected to be rare and infrequent events). The previously recognised gains, losses, or interest cannot be restated. When these financial assets are derecognised, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

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.

2. Significant accounting policies and other explanatory information (cont'd)**2A. Significant accounting policies (cont'd)****Fair value measurement**

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. 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.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

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.

2. Significant accounting policies and other explanatory information (cont'd)**2B. Other explanatory information (cont'd)****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 Association 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. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

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 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.

Allowance for trade receivables:

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. 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 16 on trade and other receivables.

SOCIETY FOR THE AGED SICK

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

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

The financial reporting standard 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 members of 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.

Key management compensation:

	<u>2019</u> \$	<u>2018</u> \$
Salaries and other short-term employee benefits	616,598	399,802
Number of key management in compensation bands:		
Less than \$100,000	6	4
\$100,000 to \$200,000	2	2

SOCIETY FOR THE AGED SICK

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

Key management personnel is the chief operating officer (2018: 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.

There are no paid staff who are close members of the family of the Society, and whose remuneration each exceeds \$50,000 during the year.

4. Other government funding

	<u>2019</u> \$	<u>2018</u> \$
Community Silver Trust (CST) fund for operating expenses (Note 22A)	—	48,838
Replacement ratio funding for direct care staff manpower expenses	365,506	676,425
Salary Adjustment Exercise (SAE) funding for manpower expenses (Note 22C)	742,308	642,204
President's Challenge Fund (Note 22E)	145,659	79,218
	<u>1,253,473</u>	<u>1,446,685</u>

5. Voluntary income – donations

	<u>2019</u> \$	<u>2018</u> \$
Donations in cash	1,031,206	646,083
Donations in kind	209,568	181,900
	<u>1,240,774</u>	<u>827,983</u>

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 and the IPC status has been further renewed for the period from 1 September 2018 to 31 August 2021.

	<u>2019</u> \$	<u>2018</u> \$
Tax-exempt receipts issued for donations collected	1,015,701	613,473

SOCIETY FOR THE AGED SICK

6. Interest income

	<u>2019</u>	<u>2018</u>
	\$	\$
Interest income from other financial assets	167,459	225,808
Interest income from financial institutions	18,998	18,998
	<u>186,457</u>	<u>244,806</u>

Interest income is allocated to respective funds upon receipt on the interest.

7. Other income

	<u>2019</u>	<u>2018</u>
	\$	\$
Government grant income	141,303	84,934
Subscription fee income	15	—
	<u>141,318</u>	<u>84,934</u>

8. Employee benefits expense

	<u>2019</u>	<u>2018</u>
	\$	\$
Short term employee benefits expense	6,689,367	6,238,957
Contributions to defined contribution plans	581,617	567,678
Other benefits	1,466,084	1,306,590
	<u>8,737,068</u>	<u>8,113,225</u>

9. Resident nursing care costs

	<u>2019</u>	<u>2018</u>
	\$	\$
Resident nursing care costs	1,200,636	1,458,361
Resident rehabilitation costs	6,745	2,998
Resident activities, volunteer and donor expenses	77,627	32,614
	<u>1,285,008</u>	<u>1,493,973</u>

10. Facilities management, maintenance and other ancillary costs

	<u>2019</u>	<u>2018</u>
	\$	\$
Maintenance and upkeep of premises	410,301	448,106
Utilities	472,419	413,945
Professional fees	115,900	125,523
Food and other kitchen supplies	708,019	657,142
Others	90,692	100,848
	<u>1,797,331</u>	<u>1,745,564</u>

SOCIETY FOR THE AGED SICK

11. Administrative expenses

The major component includes the following

	<u>2019</u>	<u>2018</u>
	\$	\$
Depreciation (Note 13)	<u>1,190,069</u>	<u>2,339,483</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:

	<u>2019</u>	<u>2018</u>
	\$	\$
Audit fees to independent auditors	18,000	15,000
Other attestation fees to independent auditors	<u>6,510</u>	<u>9,000</u>

13. Property, plant and equipment

	<u>Leasehold building</u>	<u>Furniture and equipment</u>	<u>Motor vehicles</u>	<u>Construction in progress</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Cost:					
At 1 April 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	20,491,857	1,869,471	409,731	272,314	23,043,373
Additions	—	138,918	—	2,689,050	2,827,968
Disposals	—	(42,010)	(128,909)	—	(170,919)
At 31 March 2019	20,491,857	1,966,379	280,822	2,961,364	25,700,422

Accumulated depreciation:

At 1 April 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	15,556,653	1,168,431	267,765	—	16,992,849
Depreciation for the year	899,160	253,469	37,440	—	1,190,069
Disposals	—	(42,010)	(128,909)	—	(170,919)
At 31 March 2019	16,455,813	1,379,890	176,296	—	18,011,999

Carrying value:

At 1 April 2017	6,943,019	993,573	179,406	—	8,115,998
At 31 March 2018	4,935,204	701,040	141,966	272,314	6,050,524
At 31 March 2019	4,036,044	586,489	104,526	2,961,364	7,688,423

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

SOCIETY FOR THE AGED SICK

13. Property, plant and equipment (cont'd)

During the reporting year the useful life of leasehold building were revised. As a result of this review, the estimated useful lives of leasehold building have been increased to 30 years from 3.5 years. The change in estimates reduced the depreciation charge for the reporting year by \$736,122.

14. Other financial assets, non-current

The Society has adopted SFRS 109 with effect from 1 April 2018. Accordingly, comparative for prior reporting period are not restated.

Debt assets instruments previously classified as available-for-sale are now classified as FVTOCI (Note 28).

14A. Movements in financial assets, available-for-sale:

	<u>2018</u>	<u>2017</u>
	\$	\$
Movement during the year:		
Fair value at beginning of the year	505,000	505,000
Reclassification at 1 April 2018 (Notes 14B and 28)	(505,000)	—
Fair value at end of the year	<u>—</u>	<u>505,000</u>

14B. Movements in investment in debt assets instruments at FVTOCI:

	<u>2019</u>	<u>2018</u>
	\$	\$
Movements during the year:		
Fair value at beginning of the year	—	505,000
Reclassification at 1 April 2018 (Notes 14A and 28)	505,000	—
Fair value at end of the year	<u>505,000</u>	<u>505,000</u>

14C. Disclosures relating to investments in debt assets instruments at FVTOCI (2018: Available-for-sale)

	<u>Level</u>	<u>2019</u>	<u>2018</u>
		\$	\$
Quoted bonds in corporations with fixed interest of 3.8% and maturing on 23 April 2027, Singapore			
Total	1	<u>505,000</u>	<u>505,000</u>

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

SOCIETY FOR THE AGED SICK

14. Other financial assets, non-current (cont'd)

14D. Credit rating of the debt assets instruments at FVTOCI

The debt asset instruments carried at FVTOCI are subject to the expected credit loss model under the standard on financial instruments. The debt investments at FVTPL are considered to have low credit risk, and the loss allowance recognised during the reporting year is limited to 12 months expected losses. Listed bonds are regarded as of low credit risk if they have an investment grade credit rating with one or more reputable rating agencies. Other bonds are regarded as of low credit risk if they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

Ratings of investments in debt assets instruments at FVTOCI:

	<u>2019</u>	<u>2018</u>
	\$	\$
Balances not having an investment grade credit rating	<u>505,000</u>	<u>505,000</u>

14E. Sensitivity analysis for price risk of quoted bonds at FVTOCI

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:

	<u>2019</u>	<u>2018</u>
	\$	\$
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.

SOCIETY FOR THE AGED SICK

15. Other non-financial assets, non-current

	2019 \$	2018 \$
Total prepaid rent premium	5,948,619	—
15A. Prepaid rent premium		
<u>Cost:</u>		2019 \$
At beginning of the year		—
Additions		6,280,070
At the end of the year		6,280,070
<u>Accumulated amortisation:</u>		
At beginning of the year		—
Amortisation for the year		122,115
At the end of the year		122,115
<u>Balance to be amortised:</u>		
Not later than one year		209,336
Later than one year and not later than five years		837,342
Later than five years		5,111,277
		6,157,955
<u>Presented as:</u>		
Other non-financial assets, current (Note 17)		209,336
Other non-financial assets, non-current		5,948,619

The prepaid rent premium of \$6,280,070 represents advance land rental paid to Singapore Land Authority for 130 Hougang Avenue 1, Singapore 538900. The prepaid rent premium covers a period of 30 years effective from 1 September 2018 to 31 August 2048 and it is not transferable. The prepaid land premium is amortised over the period of the lease term on a straight line method over a period of 30 years.

16. Trade and other receivables

	2019 \$	2018 \$
<u>Trade receivables:</u>		
Outside parties	594,093	360,229
Medifund grant receivable	—	170,188
Less allowance for impairment	(111,207)	(111,207)
Net trade receivables	482,886	419,210
<u>Other receivables:</u>		
Outside parties	249,866	107,692
Interest receivable	66,042	128,605
Net other receivables	315,908	236,297
Total trade and other receivables	798,794	655,507
<u>Movements in above allowance on trade receivables:</u>		
Balance at beginning and end of the year	111,207	111,207

SOCIETY FOR THE AGED SICK

16. Trade and other receivables (cont'd)

The Society has a significant number of customers and which can be graded as low risk individually. These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. In consideration of residents' deposit and financial assistance scheme ("FAS"), no loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

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

	2019 \$	2018 \$
<u>Trade receivables:</u>		
31 to 60 days	75,716	54,228
61 to 90 days	44,422	50,679
Over 90 days	126,330	—
Total	246,468	104,907

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

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. As at the end of the reporting year, no loss allowance is necessary.

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

17. Other non-financial assets, current

	2019 \$	2018 \$
Prepaid land premium (Note 15A)	209,336	—
Prepayments	6,471	11,786
Deposits to secure services	51,110	17,930
Others	5,670	1,150
	272,587	30,866

SOCIETY FOR THE AGED SICK

18. Cash and cash equivalents

	<u>2019</u> \$	<u>2018</u> \$
Not restricted in use	7,750,365	6,172,385
Restricted in use:-		
(a) Restricted in use over 3 months	523,710	11,159,184
(b) Cash under restricted funds (Note A)	2,892,908	2,866,648
(c) Cash restricted in use (Note B)	<u>2,494,895</u>	<u>2,831,044</u>
	<u>13,661,878</u>	<u>23,029,261</u>
Interest earning balances	<u>5,160,628</u>	<u>15,919,970</u>

Note A:

Cash and cash equivalents restricted in use for their various programme funds recorded in restricted funds.

Note B:

Cash restricted in use represents grants, donations and advances received but have not utilised as at the end of the reporting year. The utilisation of these monies are subject to specific terms and conditions attached to the grants, donations and advances received.

- \$231,419 (2018: \$231,419) relating to monies received under Community Silver Trust Fund (Note 22A);
- \$1,487,466 (2018: \$1,491,938) relating to monies received under the Salary Adjustment Exercise (SAE) Fund from the Ministry of Health (Note 22C); and
- \$25,123 (2018: \$170,782) relating to monies received under the President's Challenge Fund (Note 22E).
- \$312,312 (2018: \$582,027) relating to monies held on behalf of Medifund Account from the Ministry of Health (Note 22).
- \$406,575 (2018: \$354,879) relating to monies held on behalf of the residents.
- \$32,000 (2018: nil) relating to monies received under Wellness Support Package. (Note 22F)

The rate of interest for the cash on interest earning balances is between 1.50% and 1.85% (2018: 1.13% and 1.40%) per annum.

Cash and cash equivalents in the statement of cash flows:

	<u>2019</u> \$	<u>2018</u> \$
Amount as shown above	13,661,878	23,029,261
Restricted in use	<u>(5,911,513)</u>	<u>(16,856,876)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>7,750,365</u>	<u>6,172,385</u>

SOCIETY FOR THE AGED SICK

19. Reserves policy

	<u>2019</u> \$	<u>2018</u> \$
Unrestricted Funds	<u>18,258,220</u>	<u>18,186,763</u>
Annual operating expenditure*	<u>14,277,420</u>	<u>14,208,606</u>
	<u>2019</u>	<u>2018</u>
Ratio of reserves to annual operating expenditure (times)	<u>1.28</u>	<u>1.28</u>

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

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) Bob and Hazel Booker Memorial Fund (previously named as R.K. Booker Memorial Fund) is used for giving out scholarships and training for the Society's staff.

21. Trade and other payables

	<u>2019</u> \$	<u>2018</u> \$
<u>Trade payables:</u>		
Outside parties	<u>74,489</u>	<u>528,332</u>
<u>Other payables:</u>		
Outside parties and accrued liabilities	397,559	400,381
Residents' funds held on behalf	406,575	396,215
Residents' maintenance deposits	13,244	19,256
Non-refundable payments received in advance	13,512	2,871
Deferred income	<u>30,554</u>	<u>21,542</u>
Total other payables	<u>861,444</u>	<u>840,264</u>
Total trade and other payables	<u>935,933</u>	<u>1,368,596</u>

SOCIETY FOR THE AGED SICK

22. Other liabilities

	<u>2019</u> \$	<u>2018</u> \$
Community Silver Trust – deferred income (Note 22A)	231,419	231,419
Deferred building grant (Note 22B)	4,405,705	5,022,754
Funding from Ministry of Health (Note 22C)	1,487,466	1,491,938
Deferred capital grant (Note 22D)	294,214	350,231
President's Challenge Fund (Note 22E)	25,123	170,782
Wellness Support Package (Note 22F)	32,000	–
Monies held on behalf of Medifund Account (Note 18)	312,312	582,027
	<u>6,788,239</u>	<u>7,849,151</u>

22A. Community Silver Trust – deferred income

	<u>2019</u> \$	<u>2018</u> \$
Balance at beginning of the year	231,419	323,605
Transfer to deferred capital grant (Note 22D)	–	(43,348)
Utilised during the year (Note 4)	–	(48,838)
Balance at end of the year	<u>231,419</u>	<u>231,419</u>

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.

22B. Deferred building grant

	<u>2019</u> \$	<u>2018</u> \$
<u>At cost:</u>		
Balance at beginning of the year	17,755,298	17,664,410
Transfer from deferred capital grant (Note 22D)	–	90,888
Balance at end of the year	<u>17,755,298</u>	<u>17,755,298</u>

Accumulated amortisation:

Balance at beginning of the year	12,732,544	11,323,439
Amortisation for the year	617,049	1,409,105
Balance at end of the year	<u>13,349,593</u>	<u>12,732,544</u>

Carrying value:

Balance at beginning of the year	5,022,754	6,340,971
Balance at end of the year	<u>4,405,705</u>	<u>5,022,754</u>

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

SOCIETY FOR THE AGED SICK

22. Other liabilities (cont'd)

22C. Funding from the Ministry of Health

	<u>2019</u> \$	<u>2018</u> \$
Balance at beginning of the year	1,491,938	1,162,877
Grants received during the year	737,836	971,265
Utilisation for staff payment	(742,308)	(642,204)
Balance at end of the year	<u>1,487,466</u>	<u>1,491,938</u>

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:

	<u>2019</u> \$	<u>2018</u> \$
<u>At cost:</u>		
Balance at beginning of the year	461,144	305,413
Purchase of plant and equipment – grants received	24,593	203,351
Transfer from Community Silver Trust-deferred Income (Note 22A)	–	43,348
Transfer to deferred building grant (Note 22B)	–	(90,888)
Reversal of deferred capital grants	–	(80)
Balance at end of the year	<u>485,737</u>	<u>461,144</u>

Accumulated amortisation:

Balance at beginning of the year	110,913	29,603
Amortisation for the year	80,610	81,310
Balance at end of the year	<u>191,523</u>	<u>110,913</u>

Carrying value:

Balance at beginning of the year	350,231	275,810
Balance at end of the year	<u>294,214</u>	<u>350,231</u>

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

	<u>2019</u> \$	<u>2018</u> \$
Balance at beginning of the year	170,782	–
Grants received during the year	–	250,000
Utilisation	(145,659)	(79,218)
Balance at end of the year	<u>25,123</u>	<u>170,782</u>

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.

SOCIETY FOR THE AGED SICK

22. Other liabilities (cont'd)

22F. Wellness Support Package

	<u>2019</u> \$	<u>2018</u> \$
Balance at beginning of the year	—	—
Grants received during the year	32,000	—
Balance at end of the year	<u>32,000</u>	<u>—</u>

Wellness Support Package funding received from the Agency Integrated Care ("AIC") is for improving activity satisfaction levels in nursing homes and enable homes to embed a structured activity approach so that more activities can take place. The balance as at the end of the reporting year represents funding received but not utilised.

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:

	<u>2019</u> \$	<u>2018</u> \$
Commitments for construction of a 4 storey staff dormitory extension to existing building	—	<u>3,128,860</u>

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:

	<u>2019</u> \$	<u>2018</u> \$
<u>Financial assets:</u>		
Financial assets at amortised cost	14,460,672	23,684,768
Financial assets that are debt asset instruments at fair value through other comprehensive income (FVTOCI)	505,000	505,000
At end of the year	<u>14,965,672</u>	<u>24,189,768</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>891,867</u>	<u>1,344,183</u>

Further quantitative disclosures are included throughout these financial statements.

SOCIETY FOR THE AGED SICK

25. Financial instruments: information on financial risks (cont'd)

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. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets 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. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

SOCIETY FOR THE AGED SICK

25. Financial instruments: information on financial risks (cont'd)

25E. Liquidity risk – financial liabilities maturity analysis

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 settled at their contractual maturity. There are no liabilities contracted to fall due after twelve months at the end of the reporting 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 settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

25F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	2019 \$	2018 \$
Financial assets:		
Fixed rates	5,665,628	16,424,970

Sensitivity analysis: The effect on surplus is insignificant.

25G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

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. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and measurement as disclosed in Note 28.

SFRS No.	Title
SFRS 109	Financial Instruments
SFRS 115	Revenue from Contracts with Customers.
	Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers

SOCIETY FOR THE AGED SICK

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

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. None of these are applicable to the reporting entity based on the reporting entity's current operations.

28. Changes in accounting policies and restatements of comparative figures

Effective from beginning of the current reporting year certain new or revised financial reporting standards were adopted as mentioned in Note 26. Adoption of those policies and any other changes have resulted in some changes in the application of the accounting policies and some modifications to financial statements presentation and these changes are summarised below.

SFRS 109 Financial Instruments

The standard on financial instruments contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition. It requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification. For financial liabilities, it also has requirements to cases where the fair value option is taken. For the impairment of financial assets, it introduces an "expected credit loss" ("ECL") model; recognition of a credit loss should no longer wait for there to be objective evidence of impairment. Prior reporting periods need not be restated. The entity may restate prior periods if, and only if, it is possible without the use of hindsight. Therefore, the standard has been applied for the reporting year ended 31 March 2019 only. As the Society does not restate prior periods, it has recognised the difference if any between the previous carrying amount and the carrying amount at 1 April 2018 in the opening retained earnings / equity.

As permitted by the financial reporting standard on the presentation of financial statements the third statement of financial position at the beginning of the preceding reporting year is not presented because retrospective restatement or the reclassification has no material effect on the information in the statement of financial position at the beginning of the preceding period. However related notes relating to the above balances only (that were restated / reclassified in the statement of financial position) are presented. Apart from these disclosures, other balances and notes are not impacted by the restatements / reclassifications.

Re-classification from available-for-sale financial assets

	As at 1.4.2018 \$	As at 31.3.2018 \$	Difference \$
<u>Statement of financial position:</u>			
Other financial assets – available-for-sale	–	505,000	(505,000)
Other financial assets – FVTOCI	505,000	–	505,000

Society for the Aged Sick
130 Hougang Avenue 1
Singapore 538900
+65 6922 6222
enquiry@societyagedsick.org.sg
www.societyagedsick.org.sg