



Society for the Aged Sick
Annual Report
2019/2020



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About SAS



Purpose

The 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.

Mission

To provide quality care to the aged sick and destitute
To help the aged sick and destitute lead a meaningful and enriching life

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

4 September 2020

It has been a challenging year for everyone across the world with COVID-19 greeting us at the start of year 2020.

The world witnessed how this virus spreads like wildfire, and since then, the Home has been constantly adapting to the new advisories rolled out by the Ministry of Health.

My heartfelt gratitude goes to my fellow members of the Board, our donors, volunteers, management and staff, who have been supporting the Home during this period. Thank you once again for the unwavering support.

While many of the social and group activities for the residents have come to a temporary suspension, this does not stop us from providing better care for them in other areas.

The Home has embarked on a review of our facilities and design of our Home with an architectural firm in 2019. This review will incorporate recommendations from the Alzheimer's Disease Association (ADA) which was engaged to assess and identify areas of improvements in our facilities in creating a more conducive and dementia-friendly Home for our residents.

The process also takes into consideration operational needs, such as creating a more pandemic ready facility that can implement zoning and segregation effectively for infectious control, as well as maximizing space usage within the Home for operational efficiency.

We are excited to see through this whole process and implementations, knowing that the outcome will benefit all the stakeholders of the Home greatly.

COVID-19 has posed an unprecedented challenge in Singapore, affecting our lives and livelihoods. For our foreign staff, it has not been an easy journey with travel restrictions and being away from their loved ones. Many measures were adopted and many more may come. However, I am thankful that all our staff have been cooperative and understanding in adhering to the advisories.

As a nursing home looking after the vulnerable group of elderly, the Home carries a heavy responsibility of continuing its operations in the best interest of our residents. The path ahead may be steep for all of us, but I believe, with unity, we can overcome all obstacles.

Thank you for being a part of the SAS family.

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 six heads of department reporting to the COO make up the composition of the management team of SAS (the “**Management Team**”).

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 Ronald Wong	Assistant Honorary 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	
Ms Wendy Soh	Committee Member 21 September 2018	Finance Director	
Mr Theodor Tan	Committee Member 29 January 2019	Advocate & Solicitor	
Mr Johnny Chan	Committee Member 20 September 2019	Senior Manager	

Current Sub-Committees

as at date of report

Management Team

as at date of report

Audit

Ms Wendy Soh (Chairman)
Ms Joyce Chia
Ms Mary Chua
Mr Szeto Sebastian

Finance & Investment

Mr Eric Teoh Cheng Eam
Mr Chew Loy Cheow
Mr Yeo Chuen Eng
Mr Ronald Wong

Fundraising

Mr Eric Teoh Cheng Eam (Chairman)
Ms Ong Geok Chwee

Governance

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

Home Management and Quality Assurance

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

Human Resource

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

Procurement

Dr Richard Tan Hang Shing (Chairman)
Mr Eric Teoh Cheng Eam
Mr Johnny Chan

Tender & Building Project

Mr Eric Teoh Cheng Eam (Chairman)

Facilities

Dr Chook Kum Kay (Chairman)
Mr Yeo Chuen Eng
Dr Richard Tan Hang Shing
Mr Theodor Tan

Medifund

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
Dr Mok Yee Ming

Kate Koh
Chief Operating Officer
Appointed to position since 20 September 2018

Tong Peng Hon
Head of Finance and Procurement
Appointed to position since 11 December 2019
(Appointed as Head of Finance and Admin from 26 November 2018 to 10 December 2019)

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

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

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

Nicole Ong
Head of Admin
Appointed to position since 11 December 2019

Organizational Chart



SAS at a glance

Our Services

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

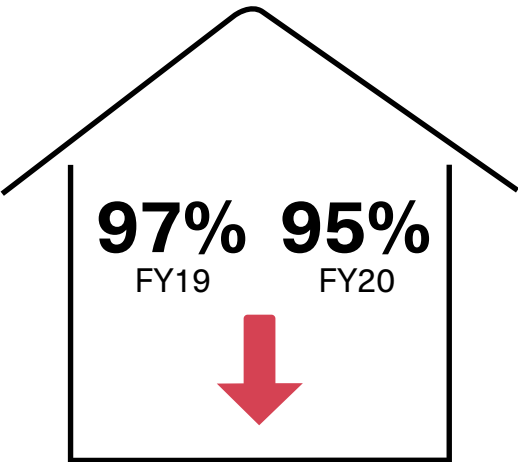
- (i) Residential care
- (ii) Nursing care
- (iii) Medical care
- (iv) Physiotherapy
- (v) Occupational therapy
- (vi) Speech therapy
- (vii) Nutrition and dietary services
- (viii) Dental care

Our social service team together with dedicated volunteers, also provide emotional support and organise activities that help them lead more meaningful and enriching lives.

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

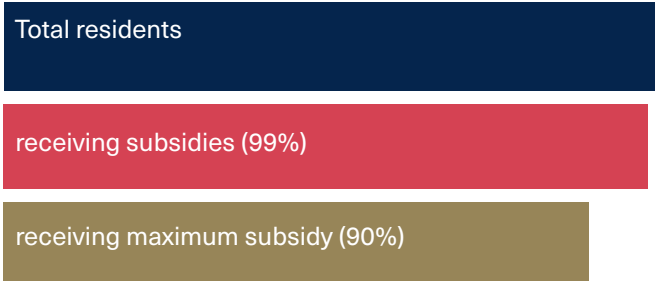
Average Nursing Home Occupancy Rate

as at 31 March 2020
(figure excludes respite cases)






Residents' Profile: Residents receiving subsidies

as at 31 March 2020



Residents' Profile: Mobility Category

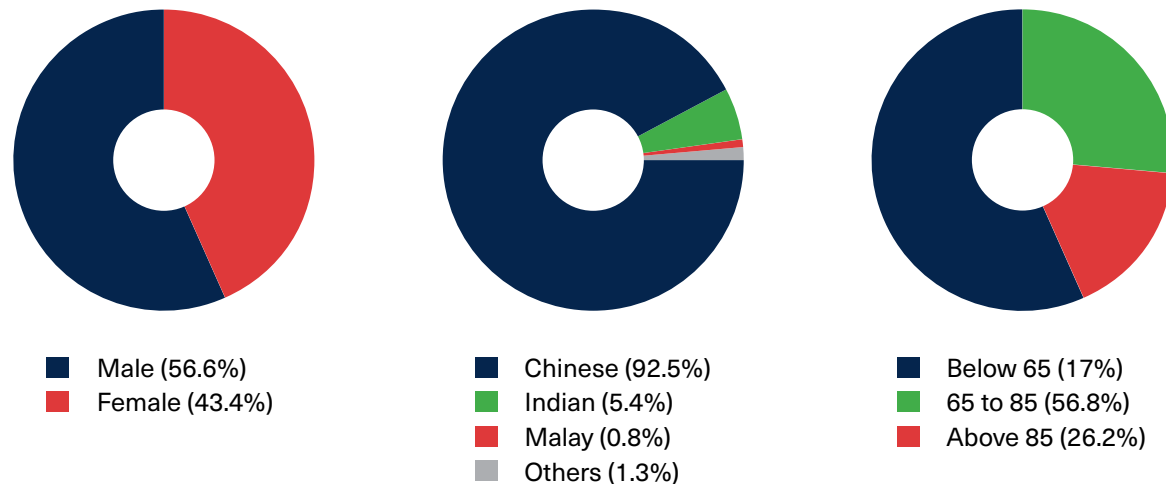
as at 31 March 2020

	Category 2 semi-ambulant	FY18:	1.8%
		FY19:	1.5%
		FY20:	1.1%
	Category 3 wheelchair-bound	FY18:	49.6%
		FY19:	49.2%
		FY20:	50.5%
	Category 4 bed-bound	FY18:	48.6%
		FY19:	49.2%
		FY20:	48.4%

Financial Highlights of the Year

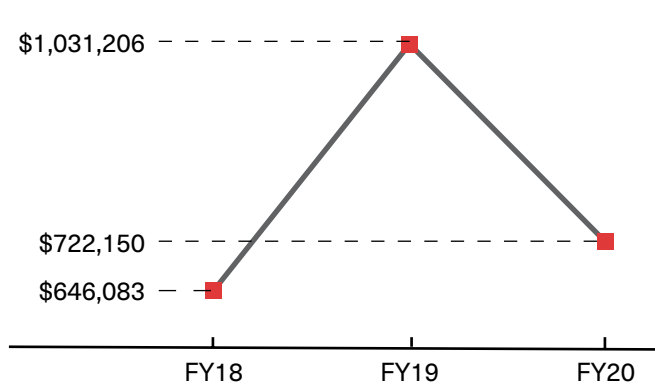
Residents' Profile: Age Group

as at 31 March 2020



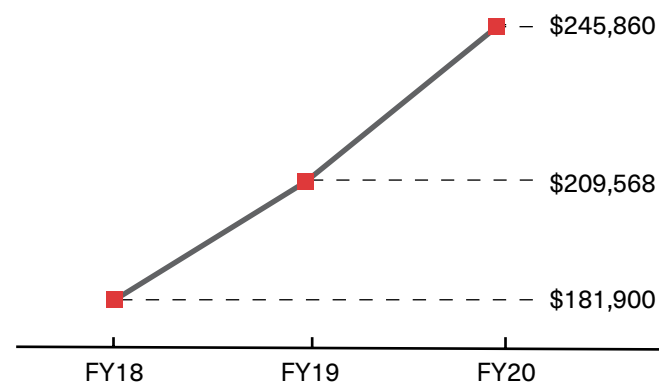
Donations in cash

as at 31 March 2020



Donations in kind

as at 31 March 2020



Summary Financial Performance

Total Income:

\$14,470,395

(FY19: \$14,379,773)

Total Expenditure:

\$13,564,218

(FY19: \$14,282,055)

Surplus:

\$906,177

(FY19 Surplus: \$97,718)

In the financial year ended 31 March 2020, SAS generated a surplus of \$906,177, an increase of \$808,459 as compared to the previous financial year of \$97,718.

This was mainly due to a one-time adjustment of the prior year subvention and decrease of depreciation expenses resulting from the extension of leasehold building useful life from 3.5 years to 30 years on the new lease with effect from September 2018.

1. Income

Government subvention increased by \$1,495,112, which were offset by a decrease in other government funding of \$626,026, decrease in donation of \$272,764 and amortisation of deferred building grant \$467,280.

The increase in government subvention is due mainly to a one-time adjustment of the prior year subvention and greater support from the Ministry of Health (MOH) in view of rising operating costs of nursing homes in Singapore.

The decrease in other government funding was due to absence of Replacement Ratio (RR) Manpower Funding

from MOH which ceased in March 2019 and lower recognition from other government funding during the financial year.

The decrease in donations was due to the absence of fundraising events during the financial year.

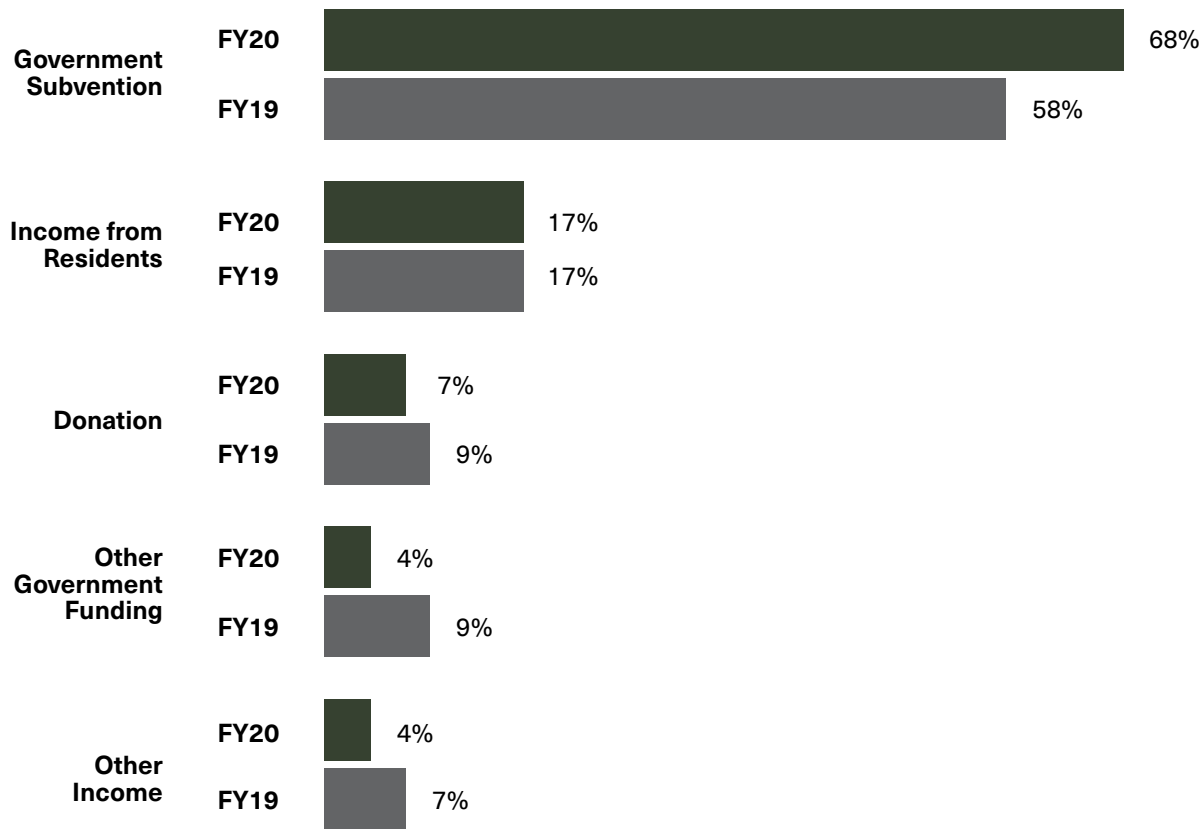
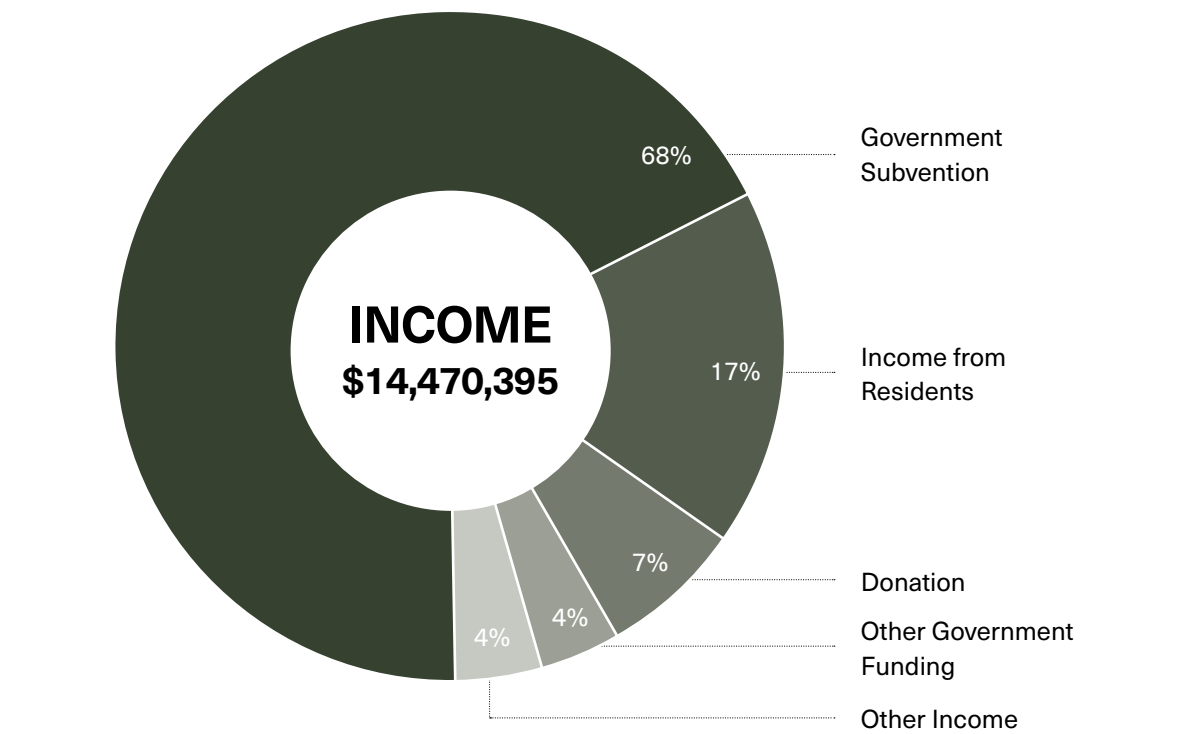
The decrease in amortisation of the deferred building grant was due to the full year impact of the extended amortization period from 3.5 years to 30 years in FY20 as compared to FY19 which has only 7 months' impact starting from September 2018.

2. Expenditure

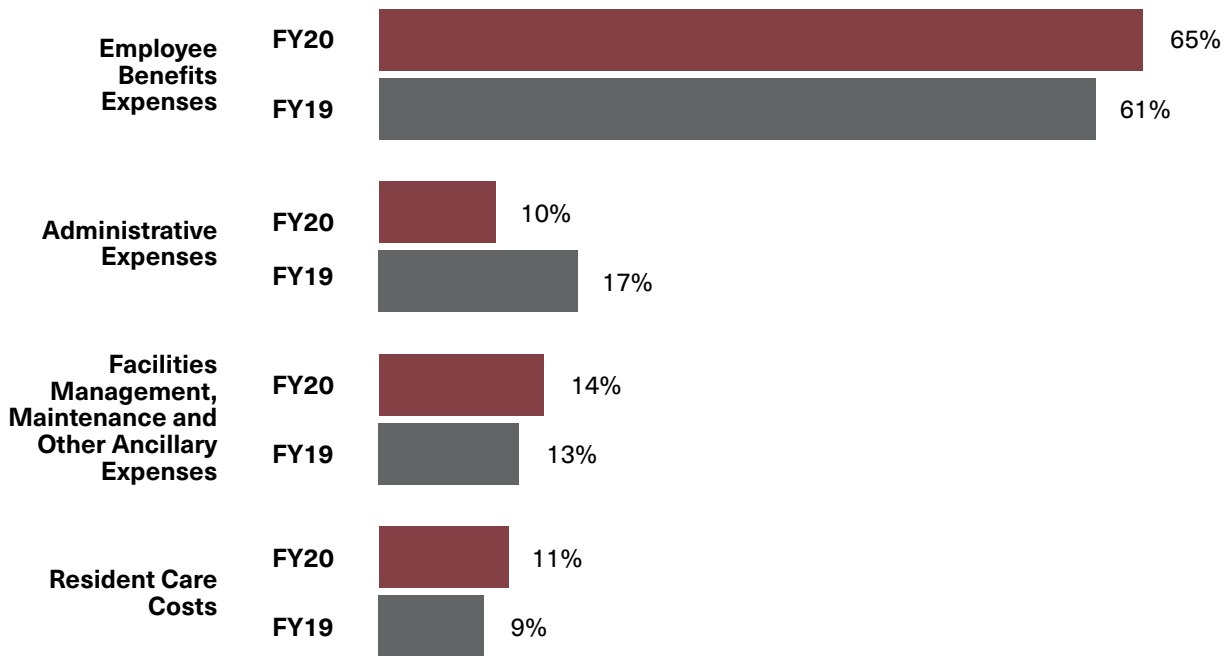
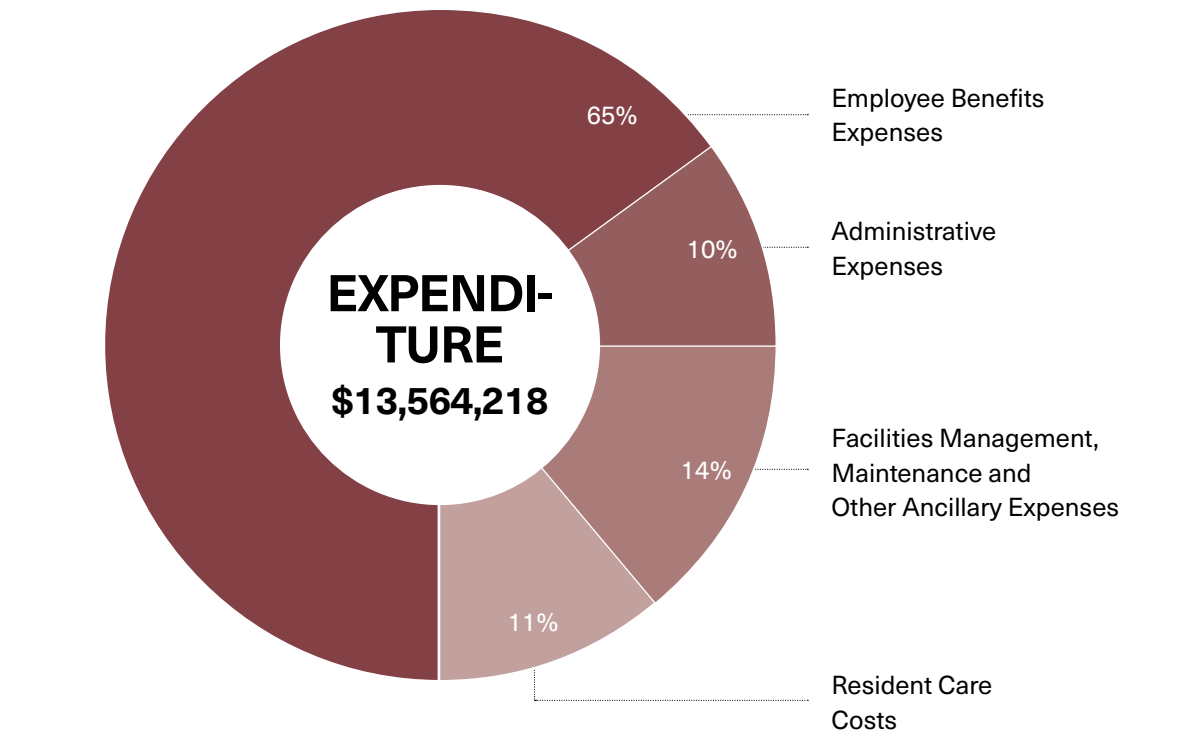
Operating costs excluding administrative expenses increased by \$359,926 due mainly to higher operating costs faced by the nursing home, such as manpower costs, foods costs and maintenance costs.

This is more than offset by the decrease in depreciation costs of \$727,119 due mainly to the extension of leasehold building useful life from 3.5 years to 30 years in FY20 as compared to FY19 which has only 7 months impact.

Sources of Income



Sources of Expenditure



Major Financial Transactions during the year

SAS' cash and cash equivalents increased by \$3,112,253 (23%) during the year mainly due to the following:

1. Received Community Silver Trust Fund of \$1,990,981 in relation to our planned facilities improvement project.
2. Surplus of \$906,177 contributing to the increased in cash and cash equivalents.

Purpose of Charitable Assets held

Total assets held by SAS amount to \$32,206,340 as at 31 March 2020, of which

1. \$16,774,131 (52%) is held in the form of cash and fixed deposits. Of this \$2,897,706 is cash under restricted funds and \$3,645,481 is cash restricted in use. The balance of \$10,230,944 is available for general use by SAS.
2. \$7,683,821 (24%) 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. \$5,948,615 (18%) is the prepayment of lease renewal premium to Singapore Land Authority for the new 30-year lease from 1 September 2018 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 2020:

	Current Year	Previous Year	% increase / (decrease)
Unrestricted Funds (Reserves)	19,159,600	18,258,220	4.94%
Restricted / Designated Funds:			
• Building Reserve	2,629,081	2,629,081	0.00%
• Computerization Fund	176,901	173,742	1.82%
• Bob and Hazel Booker Memorial Fund	91,724	90,086	1.82%
Total Funds	22,057,306	21,151,129	4.28%
Annual Operating Expenditure	13,564,218	14,277,420	(5.00%)
Ratio of Reserves to Annual Operating Expenditure	1.41 years	1.28 years	

The reserves that we have set aside provide financial stability and the means for the development of our charitable activities. 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 for repair services of the leasehold building.

SAS has embarked on a total facility review during 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 these renovations.

- (ii) Computerization Fund

This is to be used for SAS' IT system upgrades.

In May 2020 (subsequent to the financial year), SAS has completed the domain server upgrading project and will continue to utilise the Computerization Fund to upgrade our IT equipment and implement the necessary IT security enhancements.

- (iii) Bob and Hazel 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.

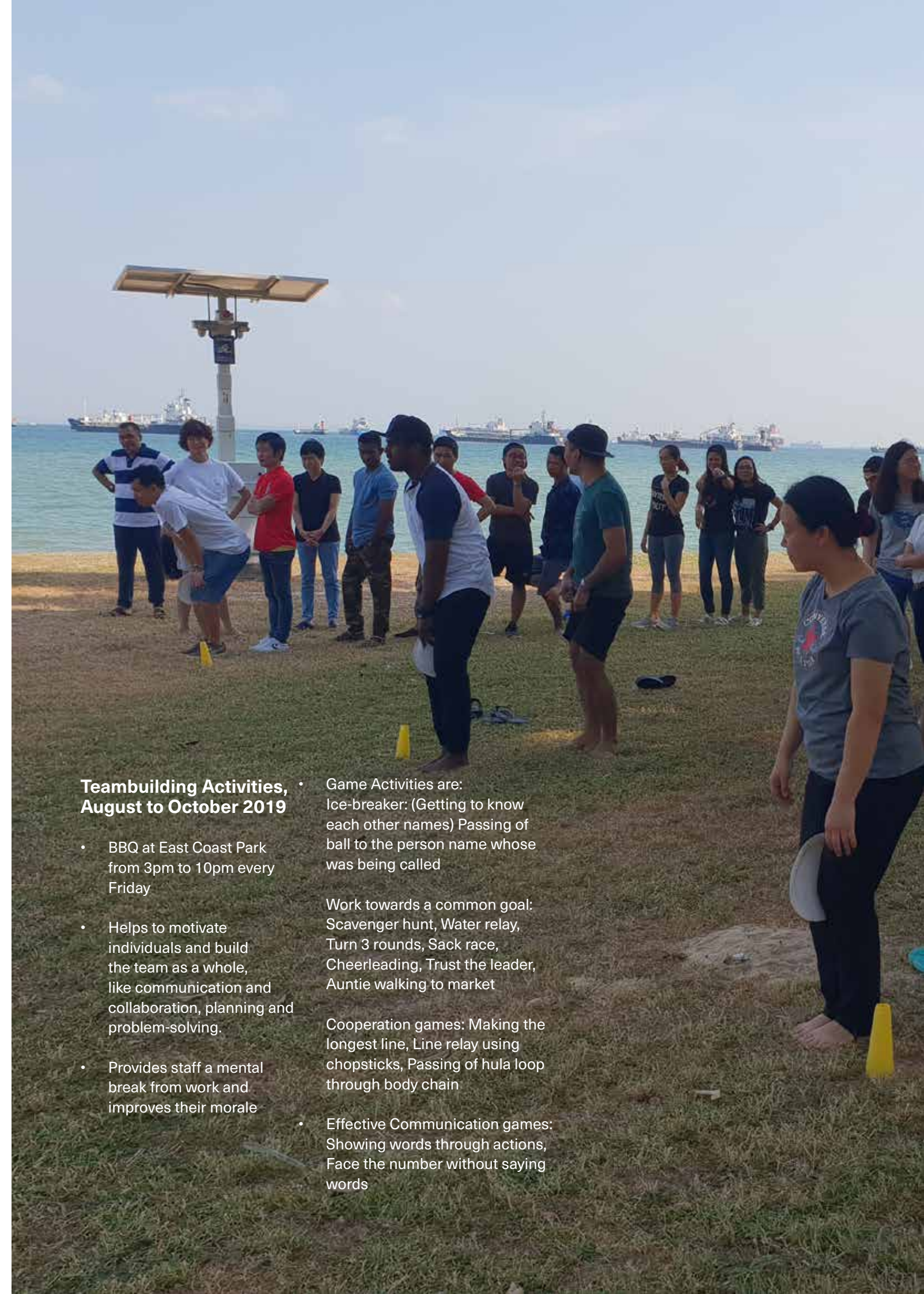
Highlights of Our Work: Programmes and Activities

Nursing Department



**NHELP Medication Module,
28 February 2019 –
29 August 2019**

SAS embarked on NHELP medication module in electronic system in collaboration with Agency for Integrated Care (AIC). This allows doctors and nurses to easily access resident records for timelier decision-making and better care coordination.



Teambuilding Activities, August to October 2019

- BBQ at East Coast Park from 3pm to 10pm every Friday
- Helps to motivate individuals and build the team as a whole, like communication and collaboration, planning and problem-solving.
- Provides staff a mental break from work and improves their morale

Game Activities are:
Ice-breaker: (Getting to know each other names) Passing of ball to the person name whose was being called

Work towards a common goal:
Scavenger hunt, Water relay, Turn 3 rounds, Sack race, Cheerleading, Trust the leader, Auntie walking to market

Cooperation games: Making the longest line, Line relay using chopsticks, Passing of hula loop through body chain

Effective Communication games:
Showing words through actions, Face the number without saying words

Nurse's Merit Award 2019 by Ministry Of Health

The Ministry of Health holds its Nurse's Merit Award every year to recognise nurses for their outstanding performance and dedication to the profession.

SAS Assistant Nurse Manager, Mdm Grace Lo, had the honour to receive the award on 17th July 2019. This is the third consecutive year that a nursing staff from SAS is receiving this award.

Training and Quality Improvement (QI) Projects: Showering Process

Since June 2019, SAS has been in collaboration with AIC to review its showering process. The purpose of taking up this QI project is to provide residents with quality hygiene care, improve dignity of care, safety and awareness on infection control (hand hygiene). Through this process, we also aim to shorten time usage on unnecessary staff movement and insufficient inventory. These time savings can be used to spend on giving resident better quality of hygiene care instead (e.g. shower, oral care).



Medication Safety Collaborative

- In collaboration with AIC starting September 2019 (3-year project)
- Led by Champions: Assistant Nurse Clinician Molly, Staff Nurse (SN) Precious, SN Jerome and Enrolled Nurse (EN) Nelson
- The Clinical Quality Improvement Collaborative (the "Initiative") involves a joint effort between AIC and SAS, working together with the goal of improving safety and quality of clinical care in the nursing home. This is achieved through a framework using the improvement collaborative approach, where a number of organizations work together on quality improvement projects to adapt and spread best practices across multiple sites.
- The Initiative sets out to improve resident safety and clinical quality in Medication Safety

Dysphagia Program

- Trained by Tan Tock Seng Hospital (TTSH) Speech Therapist, started Aug 2019 (still in progress)
- To improve staff's understanding and management of dysphagia
 - i. Recognizing signs of swallowing difficulties
 - ii. Preparing correctly thickened fluids
 - iii. Identifying correct diet consistencies
 - iv. Demonstrating understanding of feeding precautions and strategies
 - v. Identifying safe/ ideal feeding conditions

Rehabilitation Department

Tapping on the funding and training from Agency of Integrated Care's (AIC) under the Wellness Support Package, our residents have access to a greater variety of structured therapeutic activities led by the members of the Rehabilitation team.

First on the list was **Taichi for health** facilitated by our Senior Lifestyle Coordinator Mr Ernest Tan and Therapy Aide Ms Evelyn Chew, which commenced in May 2019. Taichi is evidenced in rehabilitation research to promote joint mobility, mental relaxation and fall prevention in older adults. Being culturally appropriate and relevant to residents' interest, a total of 189 participation attendances have been recorded in just the first 6 months of its inception. One resident who had a stroke that left him paralysed on one side and aphasic (impairment of speech) gestured that Taichi became part of his weekly routine to exercise, meet friends of other wards and helps him sleep better too.

Second, **Creative Movement** – "Everyday Waltzes for Active Aging" combines ordinary daily actions into dance moves to facilitate physical motion, sensory stimulation and residents' imagination. Therapy Aide Ms Cindy Oei deftly uses recognisable tunes, familiar scents and events to encourage residents to move to the groove on the circular dance floor in the reminiscence room. Since October 2019, an average of 9 residents per session enjoyed the social interaction and mind-body connection in Creative Movement that improved our residents' wellbeing.

Third, **Social Therapeutic Horticulture** programme was enhanced by a gardening volunteer Ms Tham Siang Yu and Occupational Therapy student researchers from the Singapore Institute of Technology from April 2019 to November 2019. 27 residents took part in a 12-session gardening programme that measured their changes in mood, social connectedness and quality of life (QOL) at baseline, before and after the gardening intervention. One resident related planting experiences to human life when she says, "humans are like flowers and need proper care, if not nothing will happen and will fade away". Residents reported that garden and gardening alleviated their mood and help forged new relationships.





Mobile kitchen

“What if it takes less time to bring cooking therapy to our residents in the wards compared to pottering them to the Rehabilitation Centre?”, asked Therapy Aide Ms Lallitha to the Occupational Therapists. This ground up idea in Oct 2019 resulted in the aroma of residents’ cooking and laughter heard from this communal activity filling the wards. Residents who enjoy the activity of meal preparation have increased frequency to participate and more residents could taste home cooked food under the supervision of nurses. Beyond the gastronomic experience, residents return back to this cherished role of cooking and our favourite Singaporean pastime of companionship around cooking and tasting good food.



Our Physiotherapists have also been innovating practices in the past year. The addition of several group exercises on top of individual physical rehabilitation has provided more options and more targeted treatment for specific resident groups. For example, in **Mobility group @ parallel bars** where 7 – 9 residents exercise together using resistive bands, weights and dumbbells, residents are more motivated to workout with positive reinforcements from their friends. Such effort to make exercises fun in a group context has concurrently reduced the manpower needed and increased exercise sessions for residents. Another notable group exercise is the **Otago fall prevention programme** for ambulatory residents. With a greater emphasis on balance and endurance training, residents who can walk remain strong and take preventative steps against falls. Last, **Parkinson’s disease exercise group** every Friday sees a group of residents with this common condition journey together with a customised and specific stretching and strengthening regime to reduce physical tremors and rigidity. Close on the minds of therapists is also the psychosocial peer support and education for our residents with Parkinson’s disease in order to reduce the higher chances of depression observed from this diagnostic group.

The **Seniors’ Contemporary Arts Programme** is an arts based collaboration between Singapore Art Museum and SAS. Through art creation and exhibition, residents work with professional artists to experience contemporary art, facilitate conversations around daily life and build a sense of community. Volunteers and staff tune into the stories of our residents and support our residents in their responses to contemporary art, to bring about greater awareness of historical, cultural and social aspects of Singapore.

Medical Social Services Department

SENIORS CAN! Programme

In collaboration with Nursing, Operations, and Rehabilitation departments, the Medical Social Services (MSS) Department embarked on a pilot project called the 'SENIORS CAN! PROGRAMME' on 1 July 2019. This programme aims to discover the remaining abilities of our residents, enable them to become active contributors, so that they can still lead purposeful and meaningful lives in the nursing home. It is a mind-set shift. Very often we focus on the residents' deficiencies and limitations. However, there are residents who are able and willing to contribute. Residents on the programme earn a token amount per hour for the work therapy that they undertake. They can then request a desired item equivalent to the total earnings at the end of the month.

Meet our CAN! Residents!

Mr Tan How Yan, Mr Mannivannan, Mr Hoh Ah Heng and Mr Koh Siow Chuan are our resident security officers. Each of them takes a 2-hour shift per day, assisting with the opening and closing of gates. Mr Tan takes pride in his work. He greets visitors and staff alike and is serious about doing his job well. Mr Mannivannan is so enthusiastic about his work that you can spot him waiting at the lobby, way before his shift starts. Mr Hoh, who takes the first shift in the morning, often reports half an hour earlier, to welcome staff who are coming in for work with a smile or a wave. Mr Koh, on the other hand, takes the last shift of the day, and he makes sure that he is alert in opening and closing the gates promptly for staff to go home, and many times, waving goodbye to staff which helps to end our day on a good note.

“ *I felt empowered and encouraged by being able to contribute rather than just receive. I am also thankful to Senior Medical Social Worker Jonathan for their constant encouragement and preparation prior to the programme.* ”
- Mr Tan How Yan



“ *I enjoy being part of the laundry team as I can laugh and joke together with them.* ”
- Mdm Lim Moi Moi

Mdm Lim Moi Moi (top) is our only female CAN! resident. She is our laundry assistant, working from 9am-11am and 2pm-4pm. She used to walk around and have frequent falls, which is the reason for putting her on this programme - so that she can be more meaningfully occupied and have less frequent falls from wandering around aimlessly.

Programme Outcome:

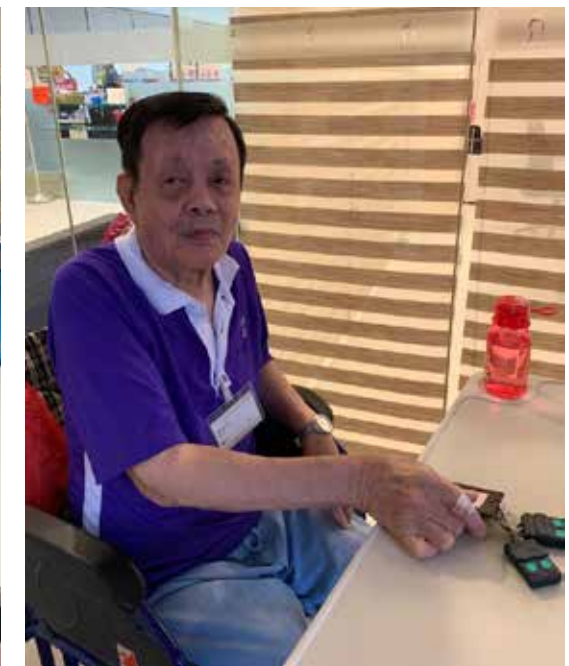
Overall, CAN! residents have increased contact time with staff, and increased time away from the ward when they are on the programme, which seemed to be positively correlated to better emotions and moods, and less behavioural issues. Even after one month, the CAN! residents are still highly motivated.

The programme is made possible through team effort from various departments and staff participation. Many of our staff gave encouragement to the CAN! residents through acknowledging them, giving them a smile or exchanging of greetings when they are on duty. Truly, it is a SAS Family effort. We hope that we can identify other areas of work for CAN! residents so that more can benefit from the programme in the future.

Mr Tan How Yan



Mr Koh Siow Chuan



Mr Mannivannan



Mr Hoh Ah Heng

“ *I felt happy to be able to work and exercise. It feels good to be useful again.* ”
- Mr Hoh Ah Heng



Open Mic Session with “Play for Good”

On 9 November 2019, the Medical Social Services invited “Play for Good” to SAS to perform songs of yesterday in Mandarin and various dialects, while our residents sing to the live music. “Play for Good” was established in 2015 by a group of seven core amateur musicians with a heart to reach out to seniors through the therapeutic power of music and songs. Their usual format was to perform and sing oldies for the residents in nursing homes, but they were excited to try out the new format, akin to “Open Mic”, suggested by the MSS team which allows residents to be the singers, while the band plays a more supportive role. This format is aligned to our beliefs and philosophy of care that:

- Residents still has remaining abilities waiting to be discovered;
- Residents can be enabled as active contributors; and
- Residents should lead purposeful and meaningful lives.

A total of 15 residents were selected and participated in the programme. Oldies such as “往事只能回味”, “夜来香”, “望春风”, “梅兰梅兰我爱你”, “南屏晚钟”, “爱拼才会赢”, “我一见你就笑”, “小微”, “梅兰梅兰我爱你”, “Oh Carol”, and “More than I can Say” filled the hall for one and half an hour as our residents sang to their hearts’ content. Half of them had the chance to sing two rounds and everyone sang a finale song together.

Programme Outcome:

Two residents, Mr Tan Hong Lian and Mr Tan How Yan thanked the volunteers and the organizers of the programme at the end of the session and most of the residents would like to participate in future sessions, if there are any. Through the open mic session, 3 residents were identified to have a talent in singing and were invited to take the stage during the SAS Family Day on 14 December 2019.

Kudos to the volunteer musicians from Play for Good. They are a bunch of multi-talented and kind-hearted young people. During the session, the musicians were very accommodating towards each resident, asking them if they want to change the key of the music, slow down or increase the tempo etc. The band singers also bent down next to the residents who were not singing so well, so as to guide them along. The band expressed interest to arrange another session for SAS residents in the next year.



Trial of Eldertainment

For the month of February 2020, the Medical Social Services, with the support of a Resident Care Assistant (RCA), trialed the usage of Eldertainment - a 12” touchscreen display, with TV programs, movie titles, music content, games and videoconferencing modules built-in to help keep seniors engaged mentally and in touch with their loved ones. Co-developed by Flat World Technologies International Pte Ltd and Ngee Ann Polytechnic, the entertainment system has been implemented in a few nursing homes.

It was found that the Eldertainment system not only provides entertainment to the residents, it is also a useful engagement tool as it opens up a string of conversations to allow the RCA to better understand the residents.

Due to the Covid-19 situation, the full potential of the Eldertainment System cannot be tapped on for now, as there is no manpower such as RCA or volunteers to assist the seniors with the device. The potential plans for the the Eldertainment System includes the implementation of group Eldertainment sessions, one-to-one befriending by volunteers using Eldertainment, if they are unsuitable for group settings, screening of movies at ward levels, and video-call engagements for residents and their families.

Admin Department: Corporate and Community Relations



As a social service agency, volunteers play a vital role in the development of the organisation. They are added resources for the organisation to provide a myriad of services and activities to their beneficiaries. At SAS, we have the privilege of having an extensive network of volunteers from both corporate and the community throughout the years. Alongside with them, we are able to carry out our mission in serving the underprivileged elderly in the society.

Volunteer activities are planned throughout the year, and with most of our elderly above 60s, there are certain festivals that they hold dearly to as these festivals form a big part of their lives.

National Day Celebration

With majority of our residents who grew up in Singapore and witnessed her independency, National Day is a day of significance to them.

On 5 August 2019, ACE Seniors brought the National Day spirits and atmosphere to SAS by holding a National Day celebration at the Home. Our Multi-Purpose Hall was lined with food and game booths, with classic National Day songs filling the space. Over 80 residents took part and sang the National Anthem, recited the Pledge, sang oldies such as *Rasa Sayang* and watched the 2018 NDP telecast with the companion of the volunteers.

Singapore has come a long way, and on this day, it brings great memories to our residents as they reminisce on how far our small country has come, and rejoice at the achievements we have made.

Each resident went back to their wards with smiles on their faces along with a NDP fun pack and prizes won from the game booths. Residents in the wards were not forgotten too. They had the chance to soak in the fun as a group of roving singers went around the wards to sing the National Day songs and spread the joy. The day ended with a special dinner catered by Samsui Kitchen which was suitable for all residents regardless of their diet (solid or soft).



Charles Monat Puppet Show/ Lantern Making

When it comes to Mid-Autumn festival, lanterns and puppet shows inevitably will come to our minds. Our thoughtful volunteers from Charles Monat took time out from their busy schedules to plan a week of meaningful activities for our residents.

Lantern making was one of the activities where residents put their motor skills to good use by assembling the lanterns. These lanterns were then hung around the ward, bringing much life to the wards.

During the evenings, the lanterns, in their multi-coloured lights, lit up the wards and created a beautiful festive atmosphere. To reward our residents after an evening of hard work, residents were treated to a bowl of sesame paste and mooncake, ending their evening on a sweet note.

On Wednesday of that week, Charles Monat had arranged for a special Teochew Puppet Performance from Sin Ee Lye Heng, the last Teochew puppet troupe in Singapore for our residents. As Chinese puppetry used to be a popular form of entertainment among the Chinese in Singapore, it was a delightful surprise for our residents to be able to watch the performance in the comfort of our Home. A few residents remarked that they used to watch puppet shows when they were younger and never thought they had the chance to do so again as it is a dying art.



Man Fut Tong Welfare Society

For the past year, SAS has been very blessed to have Man Fut Tong Welfare Society (MFTWS) inviting us to their weekly sessions of Mahjong, Karaoke and Art and Craft at their Senior Activity Centre located just next door at Blk 165.

As it is located nearby, our residents are able to be wheeled over easily — providing them with a short break from their routine. As the volunteers over there are of similar age group with our residents, conversations between them flowed easily and friendships were formed and strengthened with each visit. Each session also ends with a homemade snack such as Red Bean Soup or Mee Sua. This helps create an experience that is warm and homely, and is definitely something our residents look forward to each week.

Project Makan

Project Makan has been an ongoing initiative by the Home since September 2017 where we order in local fares for our residents, giving them a break from the in-house meals. When it first started, *Project Makan* provided lunch to residents who are on solid diet once a month.

Since then, we have included residents on soft diet, catering tea time desserts such as sesame and yam paste for them, and increased the frequency to 4 times a month in 2019.

Due to the COVID-19 situation this year where visitors and family members were not able to visit and bring our residents their favourite food during the Circuit Breaker period, we then further increased *Project Makan* to twice weekly (at least 8 times a month) — serving them their favourite local delights like Almond Paste, Duck Rice, Fried Carrot Cake. *Kway Chap* and Mee Goreng. Our residents often look forward to Tuesdays and Thursdays eagerly wondering what would be served to them.



Angklung Workshop 17 May 2019 by Esplanade

On 17 May 2019, 30 residents were invited to participate in an *Angklung* workshop specially arranged by Esplanade as part of their community engagement. This is the second time SAS collaborates with Esplanade in bringing arts to our residents at SAS.

As listening and making music has a positive impact on an individual's quality of life and well-being by promoting empowerment and autonomy, we are glad that our residents got a chance to move their hands and learn to play such a cultural instrument!

The workshop started with the education on the history of this traditional art form, followed by a practical lesson where residents were taught to play 3 different songs. It was heart-warming to see everyone working together to play a piece and the look of accomplishment on their faces. Through the session, they got to experience the joy of making music together and learn the importance of teamwork. Even though the instructor and our residents do not speak the same language, the session was still a huge success. Music is truly a universal language that brings everyone together.





Jewel Outing

Outings have always been a top favourite activity amongst our residents as it gives them the opportunity to see the progress of Singapore and as well as take a break from their routine in the Home.

This year, with the much anticipated opening of Jewel, our residents were not left out on the fun. We were able to make 4 visits to Jewel Changi Airport allowing 90 residents to visit the Majestic Rain Vortex and witness the development and advancement of Singapore.

Our residents were amazed at the grandeur of the place and many remarked that they could only remember Terminal 1 and 2 the last time they were at the airport.

As outings were cancelled since January 2020 due to COVID-19, we are looking forward to more outings once the situation improves.



SAS' Family Day

Since 2018, SAS dedicates a day in the year where the Home invites residents' families to join us in spending some quality time together with their loved ones at our Home. It is a day where we hope families can get to know one another better as their loved ones are in the same nursing home.

Last year, we had some residents performing songs to the audiences. The morning ended with movie screening and lunch provided by the Home. Staff, together with their little ones, were also invited to join the event, and serve the residents and their families. A simple affair that aims to connect everyone together, with our SAS as the host.



Featured Volunteer Group: Project A

We are very fortunate to have volunteers from Project A who have been volunteering with us faithfully since July 2017. Every month, they would organize activities ranging from physical to social with special themed events during festive occasions all with the goal of improving the well-being of our residents. Their activities are also not limited to the compounds of SAS as they have brought our residents out for outings to places like Jewel, Night Safari and Gardens by the Bay multiple times! Project A treat our residents with care and the companionship they offer is something our residents truly appreciate.

Admin Department: Human Resource & Admin

Movie Nights

Multiple movie nights were organized for staff in the year 2019 with the aim to create an environment for our staff to rest and relax after a hard day's work as majority of them stay within the Home.

Movies were screened at our multi-purpose hall with air conditioners, and snacks such as potato chips and popcorns were given to the staff every session to simulate the experience of watching movie in theatres. Throughout the two months, we saw an increase in number of people joining us, with many staff also suggesting movie titles for us to screen.



Zumba

A healthy body leads to a healthy mind. Following a series of our movie nights, the HR Department then moved on to organizing Zumba classes for our staff after a poll that we have conducted amongst the staff on the list of activities that they would like to take part in. These classes serve as opportunities for the staff from different departments to come together to know one another better through common healthy interest (Zumba!).



Appreciation Treats

With the implementation of safe and social distancing due to COVID-19, many social activities in the Home have to cease temporarily. In an attempt to show appreciation to our staff in this pandemic and as part of staff' engagement efforts, sweet treats were given to staff periodically to thank them for their contribution to the Home!

The Year Ahead: Future Plans and Commitments

COVID-19 has posed and will continue to present challenges and uncertainties ahead. Whilst some original plans to improve the Home and support the residents have to be delayed or put on hold due to the pandemic, SAS is still committed to bringing them to fruition.

1. Building improvements

SAS has engaged the Alzheimer's Disease Association (ADA) to conduct an environmental assessment of our Home during the financial year ended 31 March 2020 and they have reported recommendations on how to improve our facilities to make them more conducive and dementia-friendly for our residents.

In the same year, we also worked with an Architectural firm to review the design of our Home, factoring in the recommendations of ADA and to modify/create new facilities within the Home to support our care of more critically ill residents and our general operations. These include new nurse stations, resident and staff isolation rooms, End-of-Life care room, storage facilities and meeting rooms.

This is mainly in response to (i) our resident profile that has changed drastically over the years, (ii) addition and enhancement of services over the years, and (iii) the need for new facilities to support our expanded operations. Our 2 buildings with resident beds are almost 10 and 20 years old respectively.

They need modifications to better serve the higher care needs of our current residents and accommodate the additional resources to serve them.

Although the onset of COVID-19 in January 2020 has caused delay in our planned project, our first-hand experience of the pandemic has brought us new insights of a more pandemic ready facility that will facilitate zoning and segregation, thus reducing the risk of cross infection. As a result of this, we plan to work with our Architect to incorporate these new considerations into our renovation plan. The renovation is estimated to complete in Q2 2022 barring any worsening of the COVID situation or other unforeseen circumstances.

2. Upgrading to electric beds for residents

SAS has plans to upgrade our existing manual crank beds to fully electric beds. The cost of upgrading all the 404 beds is estimated to be \$1.2m, which is expected to be substantially supported by government funding.

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;
- Award of vendors for expenditure exceeding \$20,000

EXCO Election and term limit

Under SAS's constitution, EXCO members are to be elected at alternate Annual General Meetings. Each term that a Member of the EXCO serves is for a period of about 2 years ("**Term**"). 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 shall continue until the SAS's annual general meeting in September 2020. The EXCO has approved a policy pertaining to board renewal under which succession planning has to ensure that the EXCO continue to possess the appropriate mix of skills, experience and expertise to support the SAS's mission, objectives and strategies on an on-going basis.

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 5 consecutive Terms. For their respective skill sets and expertise which are elaborated upon in the subsequent paragraphs, on the recommendation of SAS's Governance Sub-Committee, it is the EXCO's desire for them to remain serving as members of the EXCO so that SAS can continue to benefit from their invaluable contribution.

Eric Teoh

Mr Eric Teoh has been a member of the EXCO since the year 1991 and he currently serves as the Immediate Past President of SAS. He also serves on SAS's Finance and Investment Sub-Committee and

Fundraising Sub-Committee. Mr Eric Teoh served as the 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 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. Through his leadership, Mr Eric Teoh spearheaded the growth of SAS and progressively expanded SAS's nursing home services and facilities which saw SAS's nursing home bed capacity increase from 192 beds to 404 beds, making SAS one of the largest nursing homes in Singapore today. The growth and expansion are milestones for SAS which the EXCO credits principally to Mr Eric Teoh's leadership, knowledge, and experience. Additionally, he is also the key driver behind SAS's fundraising efforts. Due to Mr Eric Teoh's extensive networks, his position on the EXCO is undoubtedly the critical pull factor for donors to donate to SAS. As the EXCO undergoes change and renewal from time to time, Mr Eric Teoh is seen as the primary link for the filling of "gaps" in knowledge or history of SAS, which essentially renders him a veritable "knowledge bank" and "institutional memory". Above all, Mr Eric Teoh's unwavering and wholehearted commitment to serve SAS and the wider public makes him an indispensable member of the EXCO.

Liew Soo Wah

Mrs Liew has served in the EXCO as a member since 21 June 2002 and she currently serves on SAS's Human Resource Sub-Committee. Mrs Liew's connections and network with the various volunteer and grass roots organisations are invaluable resources for the EXCO and SAS as a whole. As Mrs Liew has the unique ability to garner ready support through her connections and network with the various volunteer and grass roots organisations, SAS can always count on Mrs Liew to call for a steady supply of volunteers, ready to help SAS with its volunteer events, even at short notice. Mrs Liew is also the key driver behind the many donations in kind that SAS receives such as donation of rice, oil, sugar, snacks, packet drinks etc., all of which SAS needs plentifully and regularly in its kitchen. The donations in kind are extremely essential for SAS as it is used to provide meals to approximately 650 people daily, comprising of both SAS's residents and staff. The donations in kind also helps to reduce the food supply expenses of SAS and such monies is allocated to other resources to improve the quality of life for SAS' residents. When SAS runs

short of these provisions, Mrs Liew is ever ready to help procure more donations. Many donations in kind are made to SAS due to Mrs Liew's position on the EXCO and her association with SAS as an EXCO member. In addition to being the key driver of behind the many donations in kind which SAS had greatly benefited, Mrs Liew also contributes in even more personal ways such as arranging for haircuts for the residents, endeavoring to fulfil their wish lists, organising birthday celebrations for the residents as well as other celebratory events.

Dr Timothy Teoh

Dr. Teoh has been a member of the EXCO since 24 June 2008 and currently serves as the President. He also serves as the Chairman of the Home Management and Quality Assurance Sub-Committee. Dr. Teoh is a medical doctor by training and his skill sets as a medical doctor and psychiatrist are particularly valuable for SAS. Mental health is particularly important in the running of a nursing home and Dr. Teoh is always ready to contribute to that aspect as and when the need arises. As a nursing home, SAS is required to have a quality assurance committee, comprising of two or more persons which must include doctors (or nurses or allied health staff). Where monitoring and evaluating the quality of services provided at SAS is concerned, with Dr. Teoh serving on SAS's Quality Assurance Sub-Committee, his medical expertise is integral and relevant for SAS's Quality Assurance Sub-Committee as he has the knowledge and understanding to make recommendations for improvement. Moreover, as SAS is currently in the planning and design phase to make its nursing home "dementia friendly", Dr. Teoh will likewise be able to value add to EXCO's deliberations on these works because of his medical expertise.

EXCO and Attendance

A total of six Executive Committee meetings were held during the financial year. The following sets out the individual Executive Committee member's attendance at the meetings:

Names of Executive Committee members	% of attendances
Dr Timothy Teoh Chi-Chan	100%
Mr Eric Teoh Cheng Eam	33%
Dr Chook Kum Kay	67%
Mr Chew Loy Cheow	83%

Names of Executive Committee members	% of attendances
Ms Sharmini Chitran	100%
Mr Ronald Wong	83%
Mrs Liew Soo Wah	83%
Mr Yeo Chuen Eng	67%
Dr Richard Tan	17%
Ms Wendy Soh	100%
Mr Theodor Tan	83%
Mr Johnny Chan (appointed on 20 September 2019)	67%

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 2020

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 (FRS), so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2020 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.

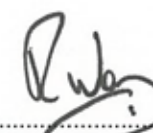
The Executive Committee approved and authorised these financial statements for issue.

On behalf of the Executive Committee



Dr Timothy Teoh Chi-Chan
President

4 September 2020



Mr Ronald Wong Kin Wai
Assistant Hon. Treasurer

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

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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 2020, 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 (FRS) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2020 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 the 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

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

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

In preparing the financial statements, management is responsible for assessing the 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- 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**

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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**

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the 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 Tay Hui Jun, Sabrina.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

4 September 2020

Engagement partner – effective from reporting year ended 31 March 2020

Statement of Financial Activities Year Ended 31 March 2020

2020	Notes	UNRESTRICTED			RESTRICTED			Total \$
		Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Building Reserve \$	Computer- isation Fund \$	Bob and Hazel Booker Memorial Fund \$	
Incoming Resources:								
<u>Income resources from generated funds</u>								
Government subvention grants		9,855,016	—	—	—	—	—	9,855,016
Other government funding	4	627,447	—	—	—	—	—	627,447
Income from residents		2,480,339	—	—	—	—	—	2,480,339
Voluntary income - Donations	5	968,010	—	—	—	—	—	968,010
<u>Other income</u>								
Interest income	6	45,200	104,845	—	—	3,159	1,638	154,842
Government grant income	7	129,543	—	—	—	—	—	129,543
Subscription fee income	7	1,090	—	—	—	—	—	1,090
Amortisation deferred building grant	21B	149,769	—	—	—	—	—	149,769
Amortisation of deferred government grant	21D	104,339	—	—	—	—	—	104,339
Total incoming resources		14,360,753	104,845	—	—	3,159	1,638	14,470,395

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

SOCIETY FOR THE AGED SICK

Statement of Financial Activities Year Ended 31 March 2020

2020	Notes	UNRESTRICTED			RESTRICTED			Total \$
		Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Building Reserve \$	Computer- isation Fund \$	Hazel Booker Memorial Fund \$	
Resources Expended:								
Employee benefits expense	8	8,825,504	—	—	—	—	—	8,825,504
Resident nursing care costs	9	1,430,215	—	—	—	—	—	1,430,215
Facilities management, maintenance and other ancillary costs	10	1,923,614	—	—	—	—	—	1,923,614
Administrative expenses	11	1,384,885	—	—	—	—	—	1,384,885
Total resources expended		13,564,218	—	—	—	—	—	13,564,218
Surplus for the reporting year								
Balance at 1 April 2019		796,535	104,845	—	—	3,159	1,638	906,177
Balance as at 31 March 2020		12,489,693	5,765,527	3,000	2,629,081	173,742	90,086	21,151,129
		13,286,228	5,870,372	3,000	2,629,081	176,901	91,724	22,057,306

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

SOCIETY FOR THE AGED SICK

Statement of Financial Activities
Year Ended 31 March 2020

		UNRESTRICTED			RESTRICTED			
2019	Notes	Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Building Reserve \$	Computer-isation Fund \$	Bob and Hazel Booker Memorial Fund \$	Total \$
Incoming Resources:								
<u>Income resources from generated funds</u>								
Grants								
Government subvention grants		8,359,904	-	-	-	-	-	8,359,904
Other government funding	4	1,253,473	-	-	-	-	-	1,253,473
Income from residents		2,480,188	-	-	-	-	-	2,480,188
Voluntary income - Donations	5	1,240,774	-	-	-	-	20,000	1,260,774
Other income								
Interest income	6	(62,563)	238,124	-		7,176	3,720	186,457
Government grant income	7	141,303	-	-	-	-	-	141,303
Subscription fee income	7	15	-	-	-	-	-	15
Amortisation of deferred building grant	21B	617,049	-	-	-	-	-	617,049
Amortisation of deferred government grant	21D	80,610	-	-	-	-	-	80,610
Total incoming resources		14,110,753	238,124	-	-	7,176	23,720	14,379,773

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

SOCIETY FOR THE AGED SICK

Statement of Financial Activities
Year Ended 31 March 2020

		UNRESTRICTED			RESTRICTED			
2019	Notes	Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Building Reserve \$	Computer-isation Fund \$	Bob and Hazel Booker Memorial Fund \$	Total \$
Resources Expended:								
Employee benefits expense	8	8,732,433	-	-	-	-	4,635	8,737,068
Resident nursing care costs	9	1,285,008	-	-	-	-	-	1,285,008
Facilities management, maintenance and other ancillary costs	10	1,797,331	-	-	-	-	-	1,797,331
Administrative expenses	11	2,462,648	-	-	-	-	-	2,462,648
Total resources expended		14,277,420	-	-	-	-	4,635	14,282,055
(Deficit) / Surplus for the reporting year								
Balance at 1 April 2018		(166,667)	238,124	-	-	7,176	19,085	97,718
Balance as at 31 March 2019		12,656,360	5,527,403	3,000	2,629,081	166,566	71,001	21,053,411
		12,489,693	5,765,527	3,000	2,629,081	173,742	90,086	21,151,129

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

SOCIETY FOR THE AGED SICK

Statement of Financial Position As at 31 March 2020

	Notes	2020 \$	2019 \$
Assets			
<u>Non-current assets</u>			
Property, plant and equipment	12	7,683,821	7,688,423
Other financial assets – FVTOCI	13	505,000	505,000
Other non-financial assets, non-current	14	5,739,279	5,948,619
Total non-current assets		13,928,100	14,142,042
<u>Current assets</u>			
Trade and other receivables	15	873,600	798,794
Other non-financial assets, current	16	630,509	272,587
Cash and cash equivalents	17	16,774,131	13,661,878
Total current assets		18,278,240	14,733,259
Total assets		32,206,340	28,875,301
Funds and liabilities			
<u>Unrestricted funds</u>			
Accumulated fund		13,286,228	12,489,693
POSB Centenary fund	18	3,000	3,000
Compensation fund	18	5,870,372	5,765,527
Total unrestricted funds	19	19,159,600	18,258,220
<u>Restricted funds</u>			
Building reserve	18	2,629,081	2,629,081
Computerisation fund	18	176,901	173,742
Bob and Hazel Booker Memorial Fund	18	91,724	90,086
Total restricted funds		2,897,706	2,892,909
Total funds		22,057,306	21,151,129
<u>Current liabilities</u>			
Trade and other payables	20	1,595,676	935,933
Other liabilities	21	8,553,358	6,788,239
Total current liabilities		10,149,034	7,724,172
Total funds and liabilities		32,206,340	28,875,301

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 2020

	2020 \$	2019 \$
<u>Cash flows from operating activities</u>		
Surplus for the reporting year	906,177	97,718
Adjustments for:		
Interest income	(154,842)	(186,457)
Amortisation of deferred building grant	149,769	617,049
Amortisation of deferred capital grants	104,339	80,610
Amortisation of prepaid rent premium	209,340	122,115
Depreciation of plant and equipment	462,950	1,190,069
Operating surplus before changes in working capital	1,677,733	1,921,104
Trade and other receivables	(29,605)	(205,850)
Other non-financial assets, non-current	–	(6,070,734)
Other non-financial assets, current	(357,922)	(241,721)
Cash restricted in use	(3,899,114)	10,945,363
Trade and other payables	659,743	(432,663)
Other liabilities	1,511,011	(1,758,571)
Net cash flows (used in) / from operating activities	(438,154)	4,156,928
<u>Cash flows used in investing activities</u>		
Purchase of property, plant and equipment	(458,348)	(2,827,968)
Interest received	109,641	249,020
Net cash flows used in investing activities	(348,707)	(2,578,948)
Net (decrease) / increase in cash and cash equivalents	(786,861)	1,577,980
Cash and cash equivalents, beginning balance	7,750,365	6,172,385
Cash and cash equivalents, ending balance (Note 17)	6,963,504	7,750,365

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

Notes to the Financial Statements
31 March 2020

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 is located at 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 2020 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 (“FRSs”) and the related interpretations to FRS (“INT FRS”) as issued by the Singapore Accounting Standards Council. They are also in compliance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulation (the Charities Act and Regulations).

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 FRSs 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.

1. General (cont’d)

Covid-19 pandemic and the aftermath

The Covid-19 pandemic and the aftermath of the pandemic has caused and will continue to cause disruptions for the foreseeable future to and create uncertainty surrounding the Society. These uncertainties has impacted the Society’s operations. As the situation is still evolving, the full effect of the outbreak is still uncertain. It is however reasonably possible that COVID-19 may have an adverse impact on the Society’s incoming resources and results for the next reporting year, the extent of which will depend on how long the outbreak lasts. These uncertainties give rise to difficulties in making an accurate assessment by management of the future impacts on the Society. Management will continue to closely monitor the further economic development and its impact.

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

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

(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 a 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, Cap 134 to the extent that these are applied to its charitable objects. No tax charges have arisen for the Society during the reporting year.

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

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

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 Society. 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 the 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 the end of each 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 accumulated 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 a 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.

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. 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 (cont'd):

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.

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.

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

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 the statement of financial activities in the reporting year they occur.

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Society are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by the 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.

2. Significant accounting policies and other explanatory information (cont'd)**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 the 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 historically 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 Note 16 on trade and other receivables.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts are 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.

SOCIETY FOR THE AGED SICK

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

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 holdings that could potentially result in a 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>2020</u> \$	<u>2019</u> \$
Salaries and other short-term employee benefits	<u>650,263</u>	<u>616,598</u>

The above amounts are included under employee benefits expense.

Number of key management in compensation bands:

Less than \$100,000	4	6
\$100,000 to \$200,000	<u>3</u>	<u>2</u>

Key management personnel is the 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>2020</u> \$	<u>2019</u> \$
Replacement ratio funding for direct care staff manpower expenses	3,880	365,506
Salary Adjustment Exercise (SAE) funding for manpower expenses (Note 21C)	583,708	742,308
President's Challenge Fund (Note 21E)	25,123	145,659
Wellness Support Package (Note 21F)	9,600	—
Others	<u>5,136</u>	<u>—</u>
	<u>627,447</u>	<u>1,253,473</u>

SOCIETY FOR THE AGED SICK

5. Voluntary income – donations

	<u>2020</u> \$	<u>2019</u> \$
Donations in cash	722,150	1,031,206
Donations in kind	<u>245,860</u>	<u>209,568</u>
	<u>968,010</u>	<u>1,240,774</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 2018 to 31 August 2021.

	<u>2020</u> \$	<u>2019</u> \$
Tax-exempt receipts issued for donations collected	<u>547,491</u>	<u>1,015,701</u>

6. Interest income

	<u>2020</u> \$	<u>2019</u> \$
Interest income from other financial assets	135,792	167,459
Interest income from financial institutions	<u>19,050</u>	<u>18,998</u>
	<u>154,842</u>	<u>186,457</u>

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

7. Other income

	<u>2020</u> \$	<u>2019</u> \$
Government grant income	129,543	141,303
Subscription fee income	<u>1,090</u>	<u>15</u>
	<u>130,633</u>	<u>141,318</u>

8. Employee benefits expense

	<u>2020</u> \$	<u>2019</u> \$
Short term employee benefits expense	6,774,099	6,689,367
Contributions to defined contribution plans	565,602	581,617
Other benefits	<u>1,485,803</u>	<u>1,466,084</u>
	<u>8,825,504</u>	<u>8,737,068</u>

SOCIETY FOR THE AGED SICK

9. Resident nursing care costs

	<u>2020</u>	<u>2019</u>
	\$	\$
Resident nursing care costs	1,337,513	1,200,636
Resident rehabilitation costs	32,187	6,745
Resident activities, volunteer and donor expenses	60,515	77,627
	<u>1,430,215</u>	<u>1,285,008</u>

10. Facilities management, maintenance and other ancillary costs

	<u>2020</u>	<u>2019</u>
	\$	\$
Maintenance and upkeep of premises	444,594	410,301
Utilities	463,641	472,419
Professional fees	113,247	115,900
Food and other kitchen supplies	843,931	708,019
Others	58,201	90,692
	<u>1,923,614</u>	<u>1,797,331</u>

11. Administrative expenses

The major component and other selected components includes the following

	<u>2020</u>	<u>2019</u>
	\$	\$
Depreciation (Note 12)	462,950	1,190,069
Impairment of trade receivables (Note 15)	24,082	-
Amortisation of prepaid rent premium (Note 14)	<u>209,340</u>	<u>122,115</u>

12. 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>
	\$	\$	\$	\$	\$
<u>Cost:</u>					
At 1 April 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
Additions	-	111,567	-	346,781	458,348
Transfer to / (from)	3,289,745	-	-	(3,289,745)	-
Disposals	-	(10,239)	-	-	(10,239)
At 31 March 2020	<u>23,781,602</u>	<u>2,067,707</u>	<u>280,822</u>	<u>18,400</u>	<u>26,148,531</u>

SOCIETY FOR THE AGED SICK

12. 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>
	\$	\$	\$	\$	\$
<u>Accumulated depreciation:</u>					
At 1 April 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
Depreciation for the year	203,194	226,415	33,341	-	462,950
Disposals	-	(10,239)	-	-	(10,239)
At 31 March 2020	<u>16,659,007</u>	<u>1,596,066</u>	<u>209,637</u>	<u>-</u>	<u>18,464,710</u>
<u>Carrying value:</u>					
At 1 April 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
At 31 March 2020	<u>7,122,595</u>	<u>471,641</u>	<u>71,185</u>	<u>18,400</u>	<u>7,683,821</u>

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

In the previous reporting year, the useful life of leasehold building was 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 previous reporting year by \$736,122.

13. Other financial assets, non-current

13A. Disclosures relating to investments in debt assets instruments at FVTOCI

	<u>Level</u>	<u>2020</u>	<u>2019</u>
		\$	\$
Quoted bonds in corporations with a 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 is determined based on market prices (Level 1).

13B. Credit rating of the debt assets instruments at FVTOCI

The debt asset instrument carried at FVTOCI is subject to the expected credit loss model under the standard on financial instruments. The debt investment at FVTOCI is 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.

SOCIETY FOR THE AGED SICK

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

13B. Credit rating of the debt assets instruments at FVTOCI (cont'd)

Ratings of investments in debt assets instruments at FVTOCI:

	2020 \$	2019 \$
Balances not having an investment-grade credit rating	505,000	505,000

13C. 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:

	2020 \$	2019 \$
A hypothetical 10% increase in the market index of quoted corporate bonds would have an effect on the surplus of	50,500	50,500

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

14. Other non-financial assets, non-current

	2020 \$	2019 \$
Total prepaid rent premium	5,739,279	5,948,619

14A. Prepaid rent premium

	2020 \$	2019 \$
<u>Cost:</u>		
At the beginning of the year	6,280,070	–
Additions	–	6,280,070
At the end of the year	6,280,070	6,280,070

Accumulated amortisation:

At the beginning of the year	122,115	–
Amortisation for the year	209,340	122,115
At the end of the year	331,455	122,115
	5,948,615	6,157,955

Not later than one year	209,336	209,336
Later than one year and not later than five years	837,343	837,342
Later than five years	4,901,936	5,111,277
	5,948,615	6,157,955

Presented as:

Other non-financial assets, current (Note 16)	209,336	209,336
Other non-financial assets, non-current	5,739,279	5,948,619

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

14A. Prepaid rent premium (cont'd)

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.

15. Trade and other receivables

	2020 \$	2019 \$
<u>Trade receivables:</u>		
Outside parties	606,089	594,093
Government subsidies receivables	99,903	–
Medifund grant receivable	127,896	–
Less allowance for impairment	(135,289)	(111,207)
Net trade receivables – sub-total	698,599	482,886

Other receivables:

Outside parties	63,758	249,866
Interest receivable	111,243	66,042
Other receivables – sub total	175,001	315,908
Total trade and other receivables	873,600	798,794

Movements in above allowance on trade receivables:

Balance at the beginning of the year	111,207	111,207
Charged to profit or loss under administrative expenses	24,082	–
Balance at the end of the year	135,289	111,207

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 months 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"), a loss allowance balance of \$135,289 (2019: \$111,207) is recognised. There is no collateral held as security and other credit enhancements for these trade receivables.

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:

	2020 \$	2019 \$
<u>Trade receivables:</u>		
31 to 60 days	45,423	75,716
61 to 90 days	30,006	44,422
Over 90 days	158,298	126,330
Total	233,727	246,468

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15. Trade and other receivables (cont'd)

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 months 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.

16. Other non-financial assets, current

	<u>2020</u>	<u>2019</u>
	\$	\$
Prepaid land premium (Note 14A)	209,336	209,336
Prepayments	2,580	6,471
Deposits to secure services	50,470	51,110
Grant receivable (a)	345,653	—
Others	22,470	5,670
	<u>630,509</u>	<u>272,587</u>

(a) Grant receivable relates to the estimated payout under the Jobs Support Scheme that the Foundation is expecting to receive in April 2020. The Jobs Support Scheme is introduced by the government under the Stabilisation and Support Package that was announced during Budget 2020, with the intention of providing greater assurance and support to workers and enterprises during the COVID-19 pandemic.

17. Cash and cash equivalents

	<u>2020</u>	<u>2019</u>
	\$	\$
Not restricted in use	6,963,504	7,750,365
Restricted in use:-		
(a) Restricted in use over 3 months	3,267,440	523,710
(b) Cash under restricted funds (Note A)	2,897,706	2,892,908
(c) Cash restricted in use (Note B)	3,645,481	2,494,895
	<u>16,774,131</u>	<u>13,661,878</u>
Interest earning balances	<u>9,226,885</u>	<u>5,160,628</u>

Note A:

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

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17. Cash and cash equivalents (cont'd)

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.

- \$57,932 (2019: \$406,575) relating to monies held on behalf of the residents.
- \$503,410 (2019: \$312,312) relating to monies held on behalf of Medifund Account from the Ministry of Health (Note 21).
- \$2,090,981 (2019: \$231,419) relating to monies received under Community Silver Trust Fund (Note 21A);
- \$903,758 (2019: \$1,487,466) relating to monies received under the Salary Adjustment Exercise (SAE) Fund from the Ministry of Health (Note 21C); and
- \$67,000 (2019: \$25,123) relating to monies received under the President's Challenge Fund (Note 21E).
- \$22,400 (2019: 32,000) relating to monies received under Wellness Support Package. (Note 21F)

The rate of interest for the cash on interest-earning balances is between 0.98% and 2.04% (2019: 1.50% and 1.85%) per annum.

Cash and cash equivalents in the statement of cash flows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Amount as shown above	16,774,131	13,661,878
Restricted in use	<u>(9,810,627)</u>	<u>(5,911,513)</u>
Cash and cash equivalents for the statement of cash flows purposes at the end of the year	<u>6,963,504</u>	<u>7,750,365</u>

18. Funds of the Society

Unrestricted funds comprise:

- (b) POSB Centenary Fund is donation received in conjunction with POSB's anniversary.
- (c) Compensation fund is generated from proceeds from the 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 is used for giving out scholarships and training for the Society's staff.

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19. Reserves policy

	<u>2020</u> \$	<u>2019</u> \$
Unrestricted Funds	19,159,600	18,258,220
Annual operating expenditure*	13,564,218	14,277,420
The ratio of reserves to annual operating expenditure (times)	1.41	1.28

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

The primary objective of the Society's reserves management policy is to ensure that it maintains strong and healthy fund ratios in order to support its operations and potential initiatives.

The Society is not subject to externally imposed fund requirements other than those specified as restricted.

20. Trade and other payables

	<u>2020</u> \$	<u>2019</u> \$
<u>Trade payables:</u>		
Outside parties	571,220	74,489
<u>Other payables:</u>		
Outside parties and accrued liabilities	624,371	397,559
Residents' funds held on behalf	57,932	406,575
Residents' maintenance deposits	15,477	13,244
Non-refundable payments received in advance	271,554	13,512
Deferred income	55,122	30,554
Total other payables	1,024,456	861,444
Total trade and other payables	1,595,676	935,933

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21. Other liabilities

	<u>2020</u> \$	<u>2019</u> \$
Community Silver Trust – deferred income (Note 21A)	2,090,981	231,419
Deferred building grant (Note 21B)	4,255,936	4,405,705
Funding from the Ministry of Health (Note 21C)	903,758	1,487,466
Deferred capital grant (Note 21D)	364,220	294,214
President's Challenge Fund (Note 21E)	67,000	25,123
Wellness Support Package (Note 21F)	22,400	32,000
Jobs Support Scheme (Note 21G)	345,653	–
Monies held on behalf of Medifund Account (Note 17)	503,410	312,312
	<u>8,553,358</u>	<u>6,788,239</u>

21A. Community Silver Trust – deferred income

	<u>2020</u> \$	<u>2019</u> \$
Balance at the beginning of the year	231,419	231,419
Received during the year	1,990,981	–
Transfer to deferred capital grant (Note 21D)	(131,419)	–
Balance at the end of the year	<u>2,090,981</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 and facilities improvement work. The balance as at the end of the reporting year represents CST funding received but not utilised.

21B. Deferred building grant

	<u>2020</u> \$	<u>2019</u> \$
<u>At cost:</u>		
Balance at the beginning of the year and end of the year	17,755,298	17,755,298
<u>Accumulated amortisation:</u>		
Balance at the beginning of the year	13,349,593	12,732,544
Amortisation for the year	149,769	617,049
Balance at the end of the year	<u>13,499,362</u>	<u>13,349,593</u>
<u>Carrying value:</u>		
Balance at the beginning of the year	4,405,705	5,022,754
Balance at the end of the year	<u>4,255,936</u>	<u>4,405,705</u>

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

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21. Other liabilities (cont'd)

21C. Funding from the Ministry of Health

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at the beginning of the year	1,487,466	1,491,938
Grants received during the year	–	737,836
Utilisation for staff payment	(583,708)	(742,308)
Balance at the end of the year	<u>903,758</u>	<u>1,487,466</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.

21D. Deferred capital grants:

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>At cost:</u>		
Balance at the beginning of the year	485,737	461,144
Purchase of plant and equipment – grants received	42,926	24,593
Transfer from Community Silver Trust - deferred Income (Note 21A)	131,419	–
Balance at the end of the year	<u>660,082</u>	<u>485,737</u>

Accumulated amortisation:

Balance at the beginning of the year	191,523	110,913
Amortisation for the year	104,339	80,610
Balance at the end of the year	<u>295,862</u>	<u>191,523</u>

Carrying value:

Balance at the beginning of the year	<u>294,214</u>	<u>350,231</u>
Balance at the end of the year	<u>364,220</u>	<u>294,214</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.

21E. President's Challenge Fund

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at the beginning of the year	25,123	170,782
Grants received during the year	67,000	–
Utilisation	(25,123)	(145,659)
Balance at the end of the year	<u>67,000</u>	<u>25,123</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.

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21. Other liabilities (cont'd)

21F. Wellness Support Package

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at the beginning of the year	32,000	–
Grants received during the year	–	32,000
Utilisation	(9,600)	–
Balance at the end of the year	<u>22,400</u>	<u>32,000</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.

21G. Jobs Support Scheme

The grant relates to the estimated payout under the Jobs Support Scheme as disclosed in Note 16(a).

22. 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.

23. Financial instruments: information on financial risks

23A. 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>2020</u>	<u>2019</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	17,667,731	14,460,672
Financial assets that are debt asset instruments at fair value through other comprehensive income (FVTOCI)	505,000	505,000
At the end of the year	<u>18,172,731</u>	<u>14,965,672</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>1,269,000</u>	<u>891,867</u>

Further quantitative disclosures are included throughout these financial statements.

23. Financial instruments: information on financial risks (cont'd)**23B. 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 a formal written document. 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.

23C. 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.

23D. 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.

23. Financial instruments: information on financial risks (cont'd)**23E. 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 (2019: 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.

23F. 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:

	2020 \$	2019 \$
Financial assets:		
Fixed rates	9,731,885	5,665,628

Sensitivity analysis: The effect on surplus is insignificant.

23G. 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.

24. Changes and adoption of financial reporting standards

For the current reporting year, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. None of these was applicable to the reporting entity.

25. 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. Those applicable to the Society for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Society's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	<u>The effective date for periods beginning on or after</u>
FRS 1 and 8	The Conceptual Framework for Financial Reporting	1 January 2020
	Definition of Material – Amendments to FRS 1 and FRS 8	1 January 2020
FRS 1	Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2022