

THE YEAR LIVING WITH COVID-19



**SOCIETY FOR THE AGED SICK**  
**ANNUAL REPORT**  
**2020 / 2021**



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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.

## Vision

Adding years of quality life to the elderly

## Mission

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

# 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 2021 to 31 August 2024

MAIN BANKER  
Standard Chartered Bank

EXTERNAL AUDITOR  
RSM Chio Lim LLP

CUSTODIAN TRUSTEE FOR LEASEHOLD LAND AT  
REGISTERED ADDRESS  
Ocorian Singapore Trust Company Pte Ltd

# Welcome Message from the President, Dr Timothy Teoh

The COVID-19 pandemic has hit us right at the start of the year 2020. To date, it continues to affect and disrupt lives and livelihoods globally.

As I looked back at how the Home has coped with the pandemic in the past year, I am thankful that we have managed to overcome the multitude of challenges, from adhering to the stringent safe management measures to the continuous development of our programmes for our elderly to keep them engaged in such difficult times. All these would not be possible without the dedication from our staff. For that, I am grateful. I am grateful to our staff who have stuck through with us in such trying times and our EXCO members who gave their time generously in supporting the Home. Besides offering their time, they have also gathered and raised funds to improve the morale of the staff by providing a Wonderful Wednesday filled with delightful treats to our staff.

As Singapore moves towards dealing with COVID-19 as an endemic disease and return to normal operations, I am confident that our nursing home has the adaptability and resilience to make this happen. I am extremely encouraged by our staff COVID-19 vaccination take-up rate, which currently stands higher than the national level. They have embraced themselves to take up the vaccination to protect themselves and our residents.

## **We are beginning to see the light at the end of the tunnel.**

The past year was not easy, yet we managed to live through it. I am excited to see how the Home will continue to evolve with new board members driving us to new heights, putting in their hands and feet to raise funds and actively raising awareness for our nursing home.

I am also excited to see how our renovations for the Home to become a more dementia-friendly place will take shape, and how our residents will have a better place to live in.

It is my privilege to serve the Home together with all our volunteers, donors, staff and EXCO members. I look forward to an exciting year ahead with all of you.



# Leadership

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

Also reporting to the EXCO is the Chief Operating Officer (“COO”) who implements the direction and policies set by the EXCO and oversees the day-to-day running of the Home. The COO and the seven (7) heads of department reporting to the COO make up the composition of the management team of SAS (the “Management Team”).

The EXCO members in office as at the date of this report are as stated below.

Name	Current EXCO Appointment / Date of current Appointment	Occupation	Past Appointment as President, Treasurer or Secretary or equivalent
Dr Timothy Teoh Chi-Chan	President 28 September 2020	Medical Doctor	First appointment as Deputy President: 21 June 2016
Dr Chook Kum Kay	Deputy President 28 September 2020	Medical Doctor	First appointment as Deputy President: 21 June 2016
Mr Chew Loy Cheow	Deputy President 28 September 2020	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
Mr Theodor Tan	Honorary Secretary 28 September 2020	Advocate & Solicitor	First appointment as Honorary Secretary: 28 September 2020
Mr Ronald Wong	Honorary Treasurer 28 September 2020	Partner (Financial Accounting Advisory Services)	First appointment as Assistant Honorary Treasurer: 29 January 2019
Dr Noel Yeo Sheng Ming	Assistant Honorary Treasurer 28 September 2020	Healthcare Administrator	First appointment as Assistant Honorary Treasurer: 28 September 2020
Mrs Liew Soo Wah	Committee Member 28 September 2020	Retiree	
Mr Yeo Chuen Eng	Committee Member 28 September 2020	Private Banker	
Dr Richard Tan Han Shing	Committee Member 28 September 2020	Businessman	
Ms Wendy Soh	Committee Member 28 September 2020	Finance Director	
Mr Johnny Chan	Committee Member 28 September 2020	Senior Manager	
Dr Ong Geok Chwee	Committee Member 2 February 2021	Chief Executive Officer	
Ms Irene Chong	Committee Member 31 August 2021	Chief Executive Officer	

# Current Sub-Committees as at date of report

## Audit

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

## Finance & Investment

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

## Fundraising

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

## Governance

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

## Home Management and Quality Assurance

Dr Timothy Teoh Chi-Chan (Chairman)  
Dr Paul Sim  
Dr Noel Yeo  
Dr Kong Jun Cheong

## Human Resource

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

## Information Technology

Dr Ong Geok Chwee (Chairman)  
Dr Noel Yeo

## Facilities

### (Building Project based)

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

## Procurement

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

## 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  
Ms Irene Chong (1 December 20 to 19 August 21)

# Management Team

as at date of report

## 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

## Jolyn Wong

Head of Rehabilitation  
Appointed to position since 3 November 2020

## Tan Yeow Kuan

Head of Operations  
Appointed to position since 10 October 2018

## May Ang

Head of Human Resources  
Appointed to position since 15 June 2021

## Nicole Ong

Head of Corporate and Community Relations  
Appointed to position since 15 June 2021  
(Appointed as Head of Admin from 11 December 2019 to 14 June 2021)



# Organizational Chart



# SAS at a glance

## Our Services

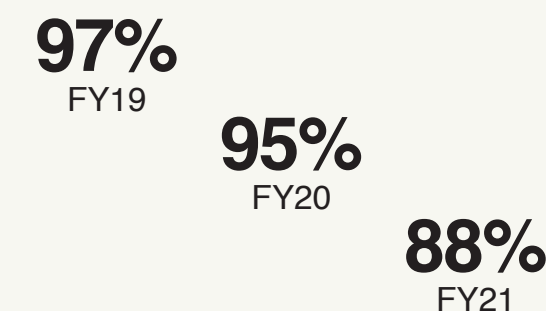
At Society for the Aged Sick (SAS), we provide residential and respite care services to people in need of daily skilled nursing care and/or assistance in activities of daily living and who cannot be cared for at home, particularly the less privileged.

To ensure that residents of the home receive holistic care during their stay here with us, we also provide a range of other services to meet their needs.

- (i) Physiotherapy
- (ii) Occupational therapy
- (iii) Psychosocial support
- (iv) Palliative and end-of-life care
- (v) Social activities and outings
- (vi) Medical care
- (vii) Dental care
- (viii) Speech therapy
- (ix) Nutrition and dietary services
- (x) Pharmacist reviews

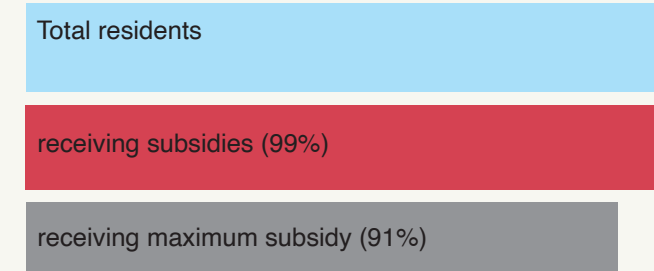
## Average Nursing Home Occupancy Rate

as at 31 March 2021  
(figure excludes respite cases)



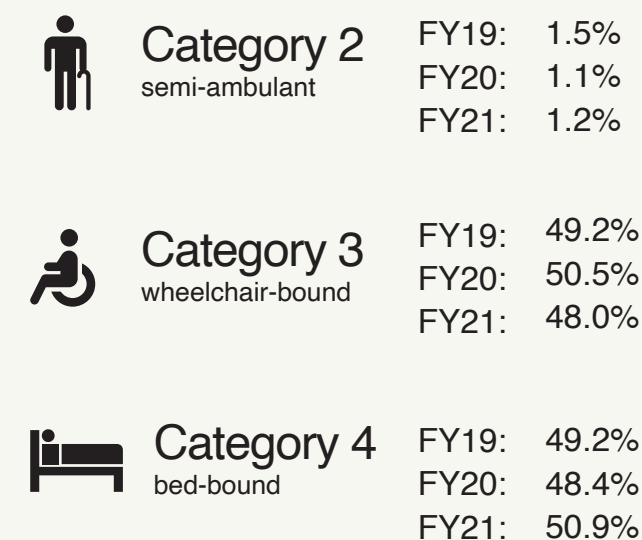
## Residents' Profile: Residents receiving subsidies

as at 31 March 2021



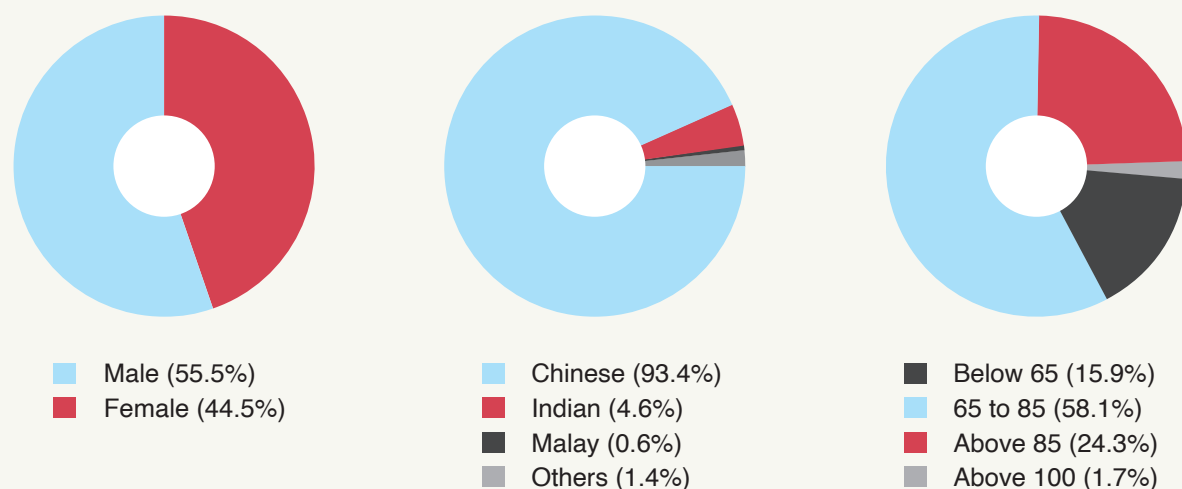
## Residents' Profile: Mobility Category

as at 31 March 2021

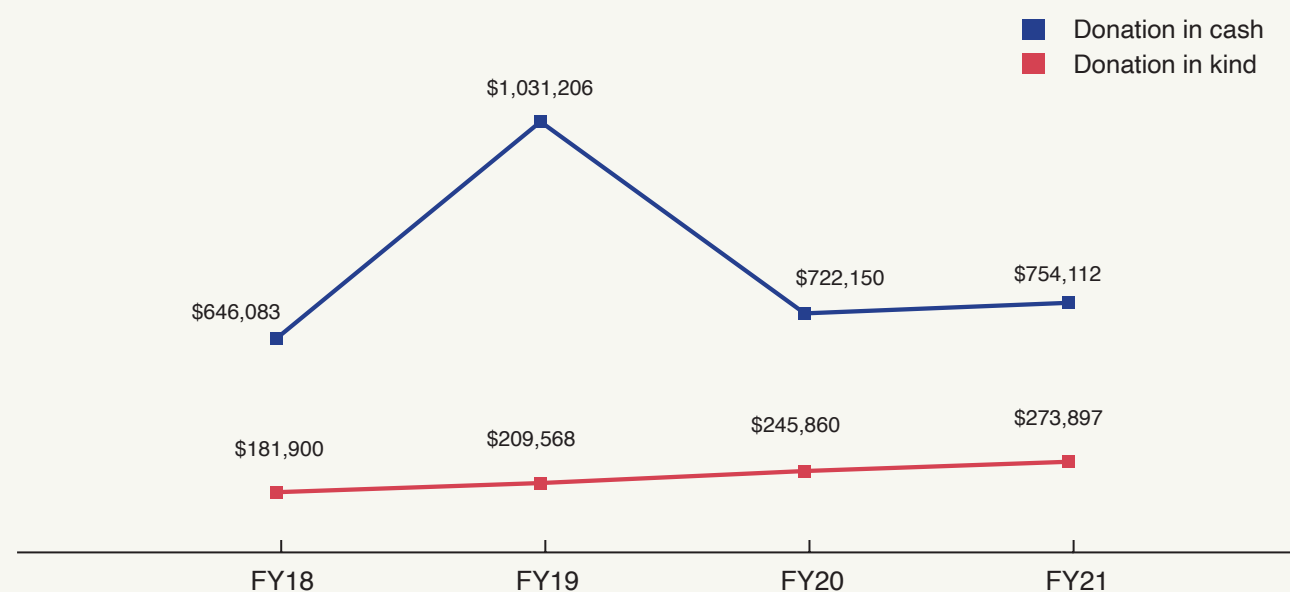


## Residents' Profile: Age Group

as at 31 March 2021



## Donations in cash & in kind



## Impact of COVID-19

COVID-19 has had an unprecedented effect on many people in Singapore and around the world. The pandemic has hit nursing homes extremely hard. Because of the risk of transference of the virus between residents, family members and staff, visitors were prohibited at the height of the pandemic, whilst zoning/ lockdowns and prohibition of resident outings continue today, more than 1.5 years after the pandemic first started.

### Sacrifices by staff to meet precautionary measures

During the circuit breaker, staff who entered the wards (e.g. frontline staff like nurses, therapists, social workers) and were staying with household members who had to travel out for work (not able to work from home) during the lockdown were asked to move to temporary lodging at designated hotels. This was to minimize any possible infection of staff from household members who may contract COVID-19 when they travelled out to work, and bringing the virus into SAS. The staff were separated from their families and stayed in the hotels for almost a month until the circuit breaker was over.

Right after the circuit breaker, nearly 100 staff staying in SAS dormitories (or 50% of them) had to move into HDB flats leased by SAS to adhere to safe distancing measures implemented in the dormitories. This was a herculean shifting exercise that involved tremendous teamwork, cooperation and coordination amongst the affected staff, HR and Operations. We are grateful to the staff for completing the relocation within the deadline given by Ministry Of Health (MOH).

Since the pandemic, staff have been continuously repurposed to meet new measures as the disease trajectory evolves. When the call comes, staff readily and rapidly take on the roles of temperature screeners or Antigen Rapid Test supervisors to protect the Home.

Today, SAS staff continue to work under strict zoning conditions. Movements in SAS are restricted to prevent cross-infections. Every staff also undergoes the regular COVID-19 surveillance testing for early detection of the disease.

SAS is extremely grateful to all our staff who have risen to the occasion with their high level of adaptability and commitment to SAS. This epic teamwork and support for SAS will never be forgotten.

### Impact on residents

COVID-19 undoubtedly has a profound effect on the social and mental well-being of our residents.

Whilst most of us have largely regained our freedom since the end of the Circuit Breaker last year, our residents continue to be largely confined within SAS. Resident outings have been completely put on hold. Although visitations by loved ones were allowed to resume after the Circuit Breaker, there were continuing restrictions on visitation, including the number of visitors, visitation frequency and duration. The longest visitation duration since the end of the Circuit Breaker is only 1 hour per visit. Alas, family presence at the bedside, which is a core pillar of psychosocial care for residents at a nursing home, has been chipped away.

# Financial Highlights of the Year

## Summary Financial Performance

Total Income:	Total Expenditure:	Surplus:
<b>\$15,428,269</b>	<b>\$14,323,728</b>	<b>\$1,104,541</b>
(FY20: \$14,470,395)	(FY20: \$13,564,218)	(FY20: \$906,177)

Volunteers are our valuable partners in caregiving. Residents have long benefitted from spending time with them, as they lend attention, support and a listening ear to the residents. The cancellation of physical volunteer sessions therefore adds on to the loneliness and social isolation felt by the residents.

SAS is acutely conscious of the psychological consequences that the COVID-19 restrictions can reap on the residents. Despite struggling to keep their heads above the water with the numerous COVID-19 restrictions, SAS staff quickly stepped up to engage and encourage the residents by rolling out programs with the limited resources that they have. More new and innovative programs were being rolled out during the pandemic than before, under the pressing drive to uplift our residents.

### Impact on SAS

2020 was the annus horribilis for much of the world due to the multi-dimensional effects of COVID-19. Besides the impact on staff and residents, SAS has incurred higher operating costs due to COVID-19 management measures. They include higher cost of personal protective equipment (N95 and surgical masks, gloves, gowns and eye goggles) due to increased use and higher prices, higher recruitment cost as a result of COVID-19 test and Stay-Home-Notice (SHN) cost for new foreign recruits, and provision of offsite accommodation in 18 HDB flat units for our foreign staff. At the same time, resident bed occupancy has also dropped as we set aside vacant beds for isolation purpose. This resulted in a drop in resident fee income. To maintain the level of care for our residents amidst these challenging economic factors, SAS is stepping up its fundraising efforts in 2021/22 and beyond to maintain financial sustainability of the Home.

Every annus horribilis has its silver lining and its final curtain call. Till this end, SAS remains dedicated to our cause of caring for our aged sick residents and soldiering on with our staff in this valuable shared journey.

For the financial year ended 31 March 2021, SAS generated a surplus of \$1,104,541, an increase of \$198,364 as compared to the previous financial year of \$906,177.

This was mainly due to government grant received from Jobs Support Scheme and Nursing Home (NH) Staff Accommodation grant amounting to \$905,884 and \$712,712 respectively. This is partly offset by lower income generated from resident fees and higher expenditure.

#### 1. Income

Increase in income is due mainly to the grant received from Jobs Support Scheme and amortization of the NH Staff Accommodation grant amounting to \$905,884 and \$712,712 respectively.

However, this is offset by lower income generated from government subvention grant and resident fees due to lower occupancy rate.

#### 2. Expenditure

Operating costs increased by \$759,510 mainly due to higher manpower costs and additional costs incurred due to COVID-19 management.

Manpower cost increased by about \$450,000 as compared to FY2020. This is due mainly to the provision of offsite accommodation in 18 HDB units for 50% of our foreign staff. This is to allow for safe distancing of the remaining foreign staff staying in our SAS staff dormitories.

In addition to the manpower costs, SAS has spent additional \$400,000 on Covid-19 measures like purchase of additional personal protective equipment, split zone and work from home arrangements and supporting our Malaysian staff's accommodation due to border lockdown as a result of the Covid-19 pandemic.

### Major Financial Transactions during the year

SAS' cash and cash equivalents increased by \$3,372,740 (20%) during the year mainly due to the following:

1. Received Community Silver Trust Fund of \$1,373,625 being funding for our electric beds purchase for residents.
2. Income of \$905,884 from the Jobs Support Scheme and the balance of \$949,188 from NH Staff accommodation funds not utilised as of 31 March 2021.

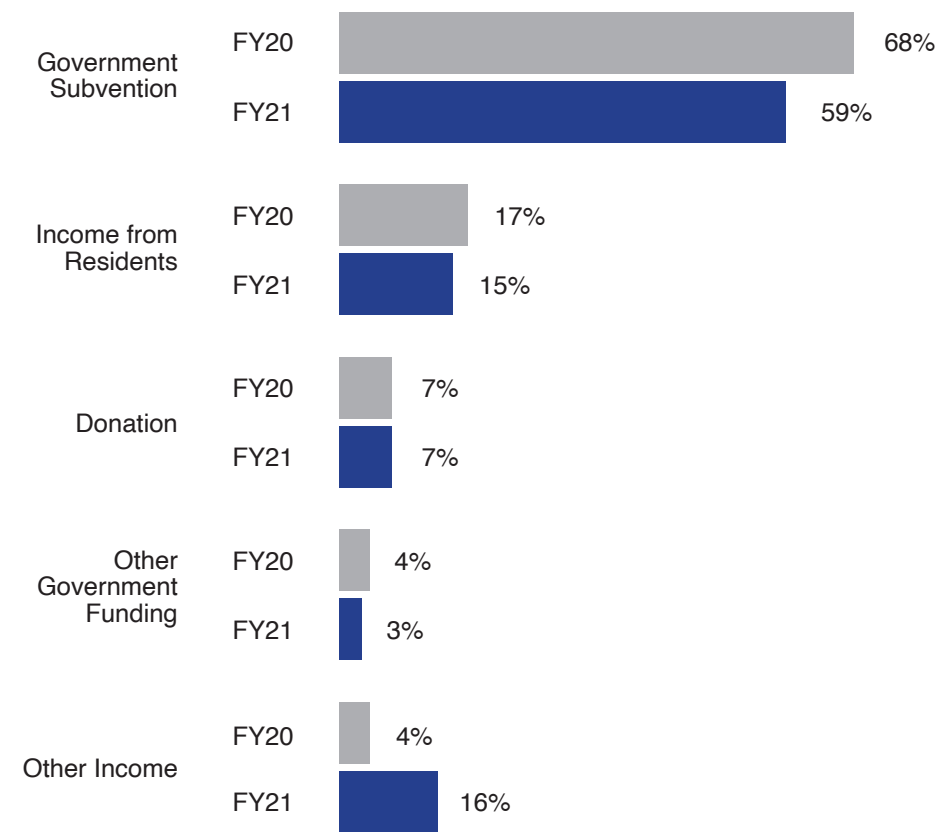
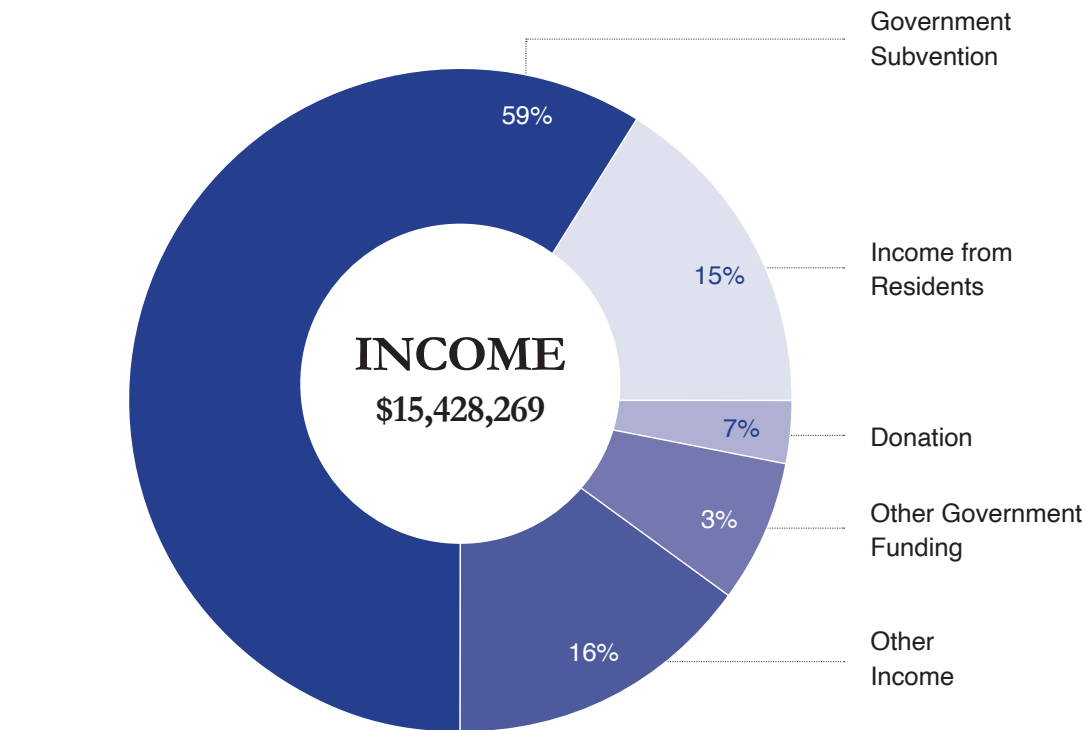
### Purpose of Charitable Assets held

Total assets held by SAS amount to \$34,484,858 as at 31 March 2021, of which

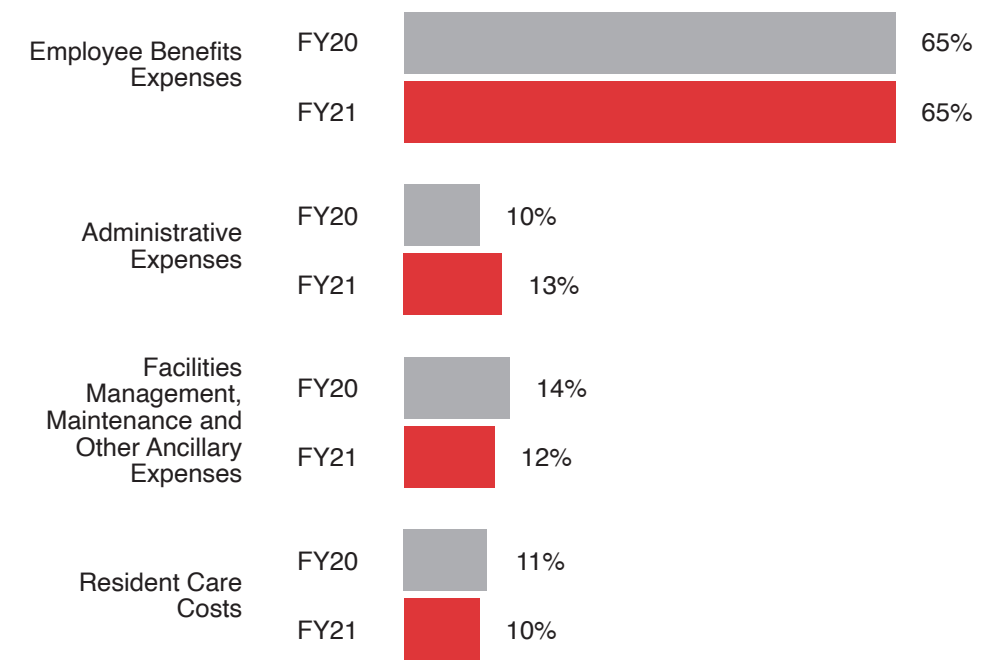
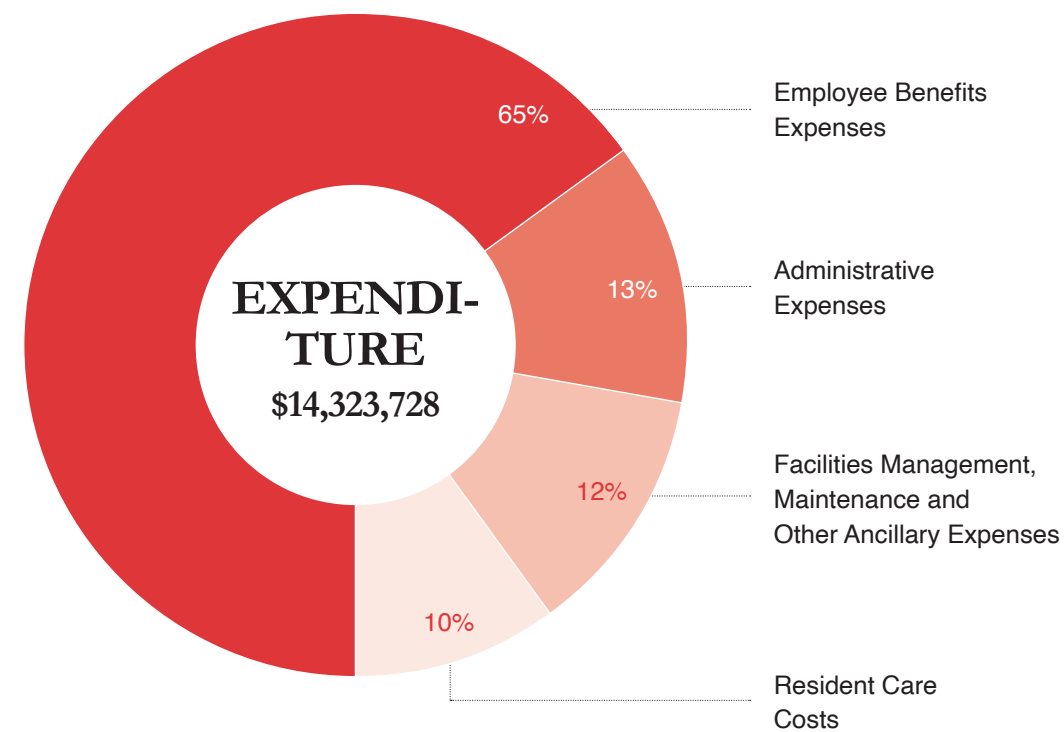
1. \$20,146,871 or 58% is held in the form of cash and fixed deposits. Of this \$2,892,755 is cash under restricted funds and \$5,188,590 is cash restricted in use. The balance of \$12,065,526 is available for general use by SAS.
2. \$7,443,768 (22%) is held in the form of property, plant and equipment. 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. \$5,739,275 (17%) 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.



Sources of Income



Sources of Expenditure



# Reserves Policy

SAS’ reserves level as at 31 March 2021:

	Current Year (S\$)	Previous Year (S\$)	% increase / (decrease)
Unrestricted Funds (Reserves)	20,269,092	19,159,600	5.80%
Restricted / Designated Funds:			
• Building Reserve	2,629,081	2,629,081	0.00%
• Computerization Fund	175,894	176,901	(0.57%)
• Bob and Hazel Booker Memorial Fund	87,780	91,724	(4.30%)
Total Funds	23,161,847	22,057,306	5.00%
Annual Operating Expenditure	14,317,638	13,564,218	5.55%
<b>Ratio of Reserves to Annual Operating Expenditure</b>	<b>1.42 years</b>	<b>1.41 years</b>	

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:

- to meet unexpected expenditure or contingencies
- 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, 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.

Subsequent to the financial year, SAS has committed to purchase new laptop and desktop for staff use, amounting to about \$150,000.

### (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

### Wellness Support Package (WSP) August 2019 till present

The WSP is a project collaboration with Alzheimer’s Disease Association with the primary objective to provide meaningful and engaging activities for residents through a structured activity approach in a sustainable manner.

Through this programme, staff were taught the importance of a person-centred approach when engaging older persons in activities. They were also taught to identify purposeful and meaningful activities for older people, adapt and modify activities to enhance engagement for older person, and identify strategies to maximise group participation.

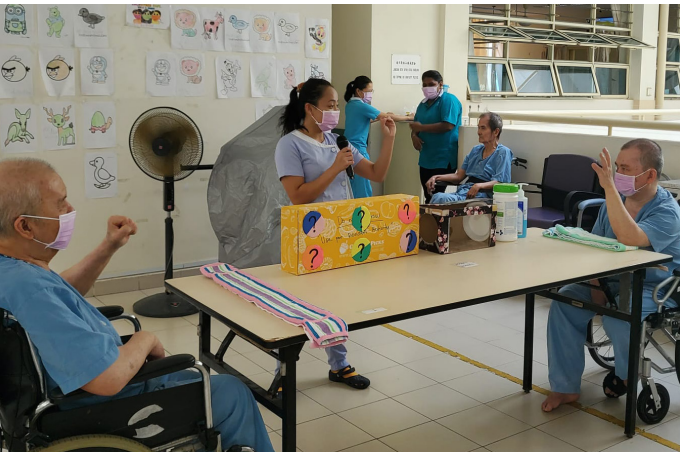
The train-the-trainer methodology was also adopted to ensure such a programme can be sustainable in the nursing home. Trainers were equipped with the skills to design activities and conduct classroom and workplace training.

### Dysphagia training August 2019 till present

This is an ongoing training taken up by the Nursing Department in collaboration with the Tan Tock Seng Hospital speech therapist to improve staff readiness to ensure residents are given a suitable diet based on their medical conditions. Staff are equipped with knowledge on picking up dysphagia symptoms and acquired the know-how in escalating cases to the physician for Speech Therapist (ST) referral.

Main Objectives:

- Inform identified problem to the resident physician for management and to assess the need for ST Referral
- Suggest physician to decide if resident requires diet/ fluid downgrade or non-oral feeding
- Initiate ST referral, put resident under ‘urgent’ or ‘routine’ depending on the reason for referral





# Rehabilitation Department



## INFECTION PREVENTION CONTROL (IPC) PROJECT 29 May 2020 to April 2021

The IPC Project in collaboration with AIC enables the Home in developing an IPC programme and reviewing measures on hand hygiene, environmental cleaning, laundry and outbreak management in the nursing home. Through this project, the department has implemented the following:

1. 4 moments of hand hygiene observation tool
2. Infection control audit on kitchen and laundry. Audit will be carried out every 4 months to both departments.
3. Setting up of Infection control committee meeting with other departments
4. Documentation of IPC surveillance records and sharing during QA meeting with our nurses
5. New scabies workflow incorporated as part of IPC Standard of Procedures
6. Immunisation programme for staff (HEP B, varicella)



The COVID-19 pandemic has pushed the Rehabilitation Department to be innovative and creative in the way we provide exercises and activities to keep our residents meaningfully engaged. Zoning restrictions meant that the rehabilitation gym and activity centre had to be closed. Therefore, exercises and activities were moved out of these places and brought into each ward. Even during the pandemic, our hardworking team of physiotherapists, occupational therapists and therapy aides continued to provide our residents with exercises and activities.

## New fleet of Physiotherapy equipment

In 2020, 5 sets of the MOTomed Muvi, 1 MOTomed Letto and 1 EasyStand StrapStand were purchased. Under the guidance and training of our physiotherapists, our therapy aides appropriately provided these exercises to residents who were suitable to use the equipment to improve upper limb and lower limb strength and standing tolerance. This new fleet of equipment empowered the team to bring our rehabilitation gym into the wards, propelling our shift towards a mobile gym. To date, a total of 150 residents have been using one or more of these equipment.

## Seniors and Contemporary Art Project

The Seniors and Contemporary Art Project was done in collaboration with Singapore Art Museum and supported by the Agency of Integrated Care, RSVP Singapore and the Singapore Botanic Gardens. Drawing inspiration from the environment and nature, three Singaporean artists conducted a series of workshops with our residents.

Due to the COVID-19 pandemic, the artists and volunteers were unable to be physically present with our residents to conduct the workshops. With careful planning, our team of occupational therapists and therapy aides managed to facilitate the virtual workshops for our residents. Even though the use of online platforms were novel to our elderly residents, they soon got accustomed to seeing and interacting with the artists and volunteers via laptops and tablets.

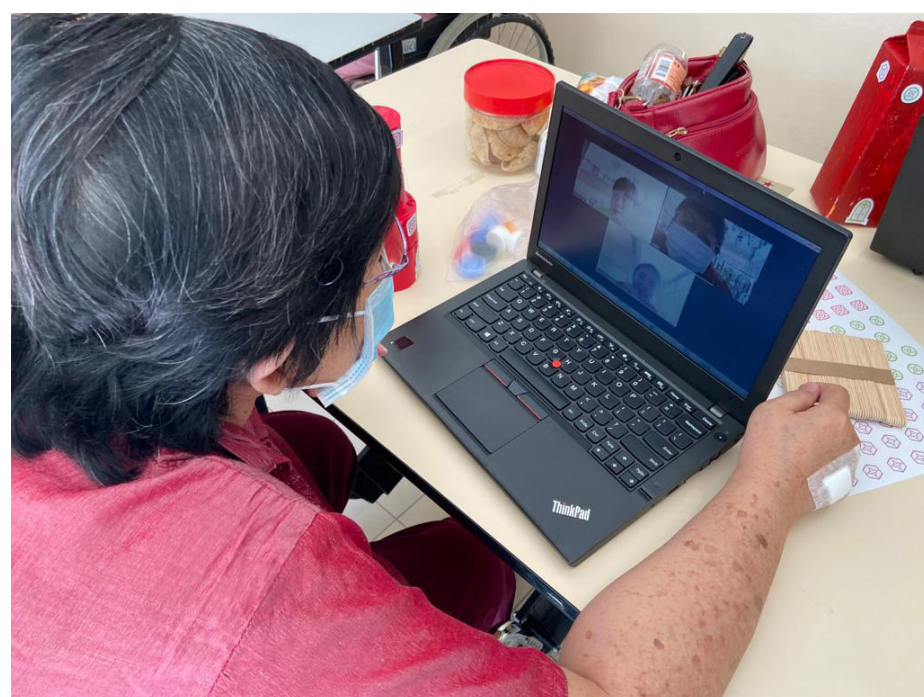


*A resident participating in her lower limb exercise using the MOTomed Letto*

All in all, 16 residents participated and produced a series of 3 artworks - Lights and Lines, Emotional Frames and Modelling a Neighbourhood. Through the process of creating the artworks, residents had the opportunity to express their feelings and be creative. These artworks were displayed at Singapore Botanic Gardens from 22 January 2021 to 28 February 2021. It was a pity that our resident artists were unable to physically visit the exhibition. However, we managed to facilitate the viewing of the exhibition virtually through pictures and videos and subsequently brought the artworks back to our premises for residents to enjoy.



A resident with her team's completed art work - Modelling a Neighbourhood



A resident interacting with the artist and volunteer through online means



A resident participating in a jig-saw puzzle, depicting a scene of a road side hawker stall back in the old days.



Residents having a go at a game of tennis on the new Nintendo Switch game set.

## Inter-generational Program with PCF Sparkletots

Due to the COVID-19 pandemic, children volunteers from PCF Sparkletots could not enter our premises for activity sessions together with our residents. By collaborating with the teachers at five PCF Sparkletots Centres, our occupational therapists and therapy aides were able to facilitate the interaction between the children and seniors over five sessions. Each session, children from the respective centres planned a variety of activities, including singing and dancing, story-telling and leading our residents in simple seated exercises. Though each meeting only lasted for thirty minutes, our residents enjoyed the company of the children as can be seen from the smiles on their faces. One resident was observing all the children and commenting that a particular young girl "could dance and shake very well"!

## Outing for the Elderly Fund - Community Foundation of Singapore

During the COVID-19 pandemic, plans for conducting outings for our residents were disrupted. Fortunately, the Outing for the Elderly Fund by the Community Foundation of Singapore gave us the flexibility to use the fund for activities for our residents. With this, we brought in new activity items for our residents, including cognitive table-top activities, sports sets and the Nintendo Switch. This allowed us to provide a wider range of activity choices for our residents to engage them cognitively and physically.

With funding and training from the Agency of Integrated Care's Wellness Support Package, our team has been able to provide residents with a range of structured therapeutic activities.

*Taichi for health* was facilitated by Senior Lifestyle Coordinator Mr Ernest and Therapy Aide Ms Evelyn. Since its commencement in 2019, Taichi for health remains a recurrent therapeutic activity group for our residents. Known to be gentle on the joints, Taichi has been evidenced to promote joint mobility, encourage mental relaxation and prevent falls in the elderly. Working around the restrictions arising from COVID-19, the team has been able to provide residents with opportunities for participation in Taichi for health where possible. From April 2020 to March 2021, a total of 58 sessions have been provided to residents, with an average of 4-5 residents per session.



# Medical Social Services Department



A resident painting the insides of an egg shell which will later be used to form a mosaic art turtle, during an individual activity.



Residents participating in Exercise with Music session.

**Sensory Art** activities have been researched to engage clients and enhance social interactions. Spearheaded by Therapy Aides Ms Xinyi and Ms Kasturi, sensory art activities aim to utilise a range of art-making techniques to stimulate the senses. This can be done through the use of different art materials to provide different visual effects, explore different textures and different sounds produced. Since its commencement in Oct 2020, a total of 19 sessions have been conducted, with an average of 4-5 residents participating in each session.

**Social events** have definitely taken on a different form during the COVID-19 pandemic. Due to the restrictions, residents were not able to participate in outings or large-scale social events. Our occupational therapists and therapy aides collaborated to create activities around the various festive events which were conducted within the wards. For example, during the Mid-Autumn Festival in October 2020, our residents were engaged in mini games centred around the myths and legends of the festival. They were also treated to moon cakes and Chinese

tea from donors as part of the celebration. For Chinese New Year 2021, our residents were treated to a range of Chinese New Year goodies including ba kwa, love letters, pineapple tarts and kueh baulu. One of our residents, Mdm Tan, was seen closing her eyes and moving her arms to the beat of the festive music while she savoured the goodies.

## Exercise with Music

Exercise with Music pairs exercise with familiar oldies from the 1970s and 1980s. Following the videos on Youtube, residents are led to perform simple upper limb and lower limb movements to the beat of golden hits including The Moon Represents my Heart and Tian Mi Mi by well-known singer, Teresa Teng. The cheerful music brings life to the otherwise quiet ward environment, making it a popular activity amongst our residents during the period of isolation. Since its commencement in June 2020, a total of 108 sessions has been conducted with residents within the different wards.

The year 2020 was like no other. It marked the beginning of the COVID-19 pandemic.

The Medical Social Services (MSS) had to face many challenges in their work. Still, they had overcome the difficult year with a spirit of adaptability, an innovative mindset and with teamwork.

## NEW RULES. NEW ROLES. NEW WAYS OF DOING THINGS

Amid the chaos in the early pandemic period, from April 2020 to August 2020, the MSS team had to quickly adapt to new roles and find new ways of doing things to support the residents and their families both in practical ways, as well as in the area of psycho-emotional support, especially when visitation policies had to keep changing in response to the country's Covid-19 situation.

*Communicate* the latest visitation guidelines to the residents' families as soon as possible.

*Engage* in hard conversations with residents and their families on the necessity of strict measures.

*Connect* residents with their loved ones virtually through video calls.

*Helped* families get food and personal items for residents through online purchases on their behalf at the height of the pandemic when visitation and passing of food to residents was strictly not allowed.

The Medical Social Services team comprising: Ms Tan Meow Theng, Medical Social Worker (top left), Ms Kee Siew Gek, Senior Medical Social Worker (top right), Ms Edna Neo, Social Work Assistant (bottom left) and Ms Ng Ya Hui, Head of Medical Social Services (bottom right) in May 2020.

## Going Digital! New Appointment System for Visitations

As part of the Covid-19 safe management measures, residents' loved ones had to be pre-registered by June 2020 in order to make appointments for visitations. The Medical Social Services had to work quickly to set up



an interim system using excel sheet to assist in making appointments — it was a manual and laborious progress.

By October 2020, after 4 months of envisioning and hard work, the appointment system for visitation went digital! The immediate impact was that the administrative burden of the team was significantly lessened, allowing the Medical Social Workers to focus back on their core work.

The various IT functions which were designed and built-in enables efficient controls, tracking and reporting, as well as efficient flow of communications with the Nursing and Operations departments as their staff are empowered to access and view the 'live' system.

## MSS New Team Members!

In the midst of the Covid-19 pandemic, the Medical Social Services had grown from a team of four to six! Introducing the new members, namely, Ms Lim Chock Kian (Resident Care Coordinator) and Ms Lilian Tay (Social Work Assistant) to better meet the needs of the residents.



## ‘Fulfil a Dish’ Programme— New Innovative Way for Social Engagements

Against the backdrop of volunteers not being allowed to enter Nursing Homes to conduct volunteer-led programmes, the Medical Social Services filled the gap by piloting the 'Fulfil a Dish' Programme (家乡菜计划) to



*Ngor Hiang Making Session on 3 December 2020*

empower the residents by harnessing their knowledge and skills in the area of cooking, and to use the platform to create opportunities for social engagements amongst residents. A ‘resident chef’ would share the recipe of his favourite dishes, and the team would work to fulfil his wish of cooking these dishes by purchasing the ingredients and following his step-by-step instructions. The team has successfully conducted 3 sessions from December 2020 to February 2021.

**“What gave them the energy to go on?”  
“What would they want to continue in  
2021/22?”**

By end of March 2021, the Medical Social Services has just taken baby steps in two other new initiatives, namely the ‘Resident Care Programme’ and ‘Masterclass Project’. The former is a programme funded by the President’s Challenge for a 2-year period to hire dedicated staff to create opportunities for all residents to be have meaningful interaction, connectedness and engagements regardless of their medical limitations. The latter is a 6-month collaboration with student teachers from the National Institute of Education to empower our residents by showcasing and documenting their talents for sharing with the younger generation.

The team is energized by the many opportunities to make a difference in the lives of the residents and their families whom they have the privileged to work with. All of them are also energized by the team’s CAN-DO approach that embraces critical questioning, creative and continuous improvement.

Moving into FY2022, the team hopes to continue to have the spirit of adaptability to ride the waves of the pandemic and an innovative and open mindset to forge new heights and depths in social work practice to serve our residents and their loved ones.

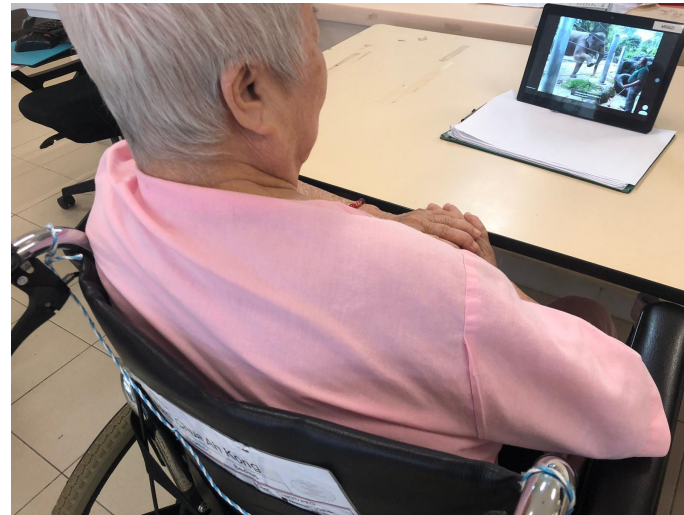
*Wanton Making Session on 15 January 2021*



*Lotus Root Peanut Soup Session on  
26 February 2021*



# Corporate and Community Relations Department



Living with the COVID-19 pandemic the past year has pushed the department to evaluate and rethink of the ways we carry out activities, engage with our stakeholders, and support the elderly in our nursing home.

With the elderly being one of the most vulnerable groups, more stringent safe management measures were implemented by Ministry of Health to protect them. Outings were restricted and most activities had shifted to the virtual platform so as to adhere to the safe distancing guidelines.

The department had worked closely with other departments to bring in different activities for our residents. Social interactions between volunteers and residents have shifted from face to face interactions to predominantly, virtual zoom sessions.

While the past year was challenging for everyone, residents and staff at the Home were not forgotten. The Home has received numerous donations, from critical personal protective equipment such as surgical masks and sanitizers to sweet treats such as mooncakes and pizza for our residents and staff.

## Meet the Animals

As the Home could not bring our elderly to the zoo, we have brought the zoo to them. With the help of technology and kind sponsorships from our volunteers and industry partners, residents of our nursing home were able to enjoy and watch *live* animal performances by our Singapore Zoo — a break from the television programmes they watch daily.

## Project Makan

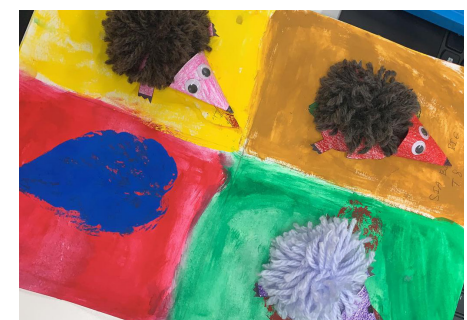
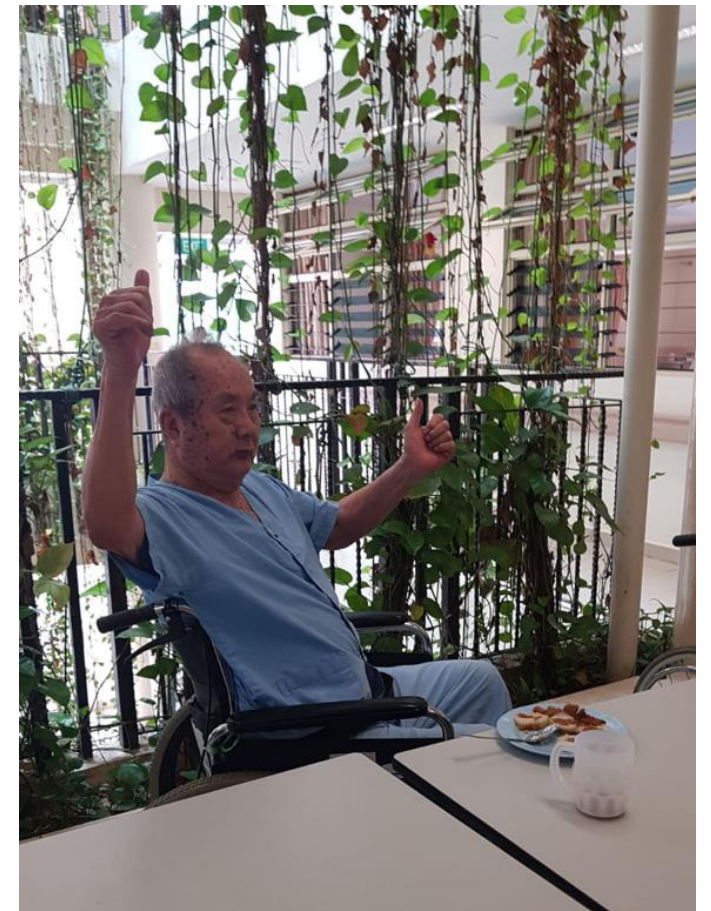
Project Makan has been an ongoing programme by the Home since September 2017. The programme was conceived after understanding what our residents want — a comfort meal from the hawker centres which most of them grew up with. Since the pandemic has started, we have provided an average of two meals to our elderly weekly. The hot favourites are *wanton mee*, chicken rice and *orh nee* amongst others.

*Residents watching live animal performances by Singapore Zoo*

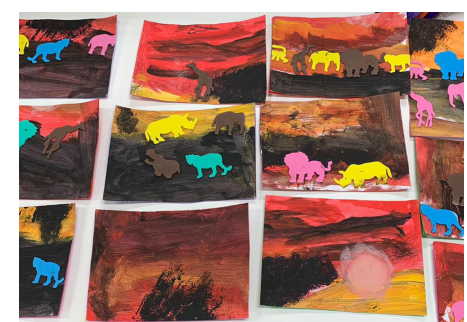
*Donations from public and corporates*



*Project Makan for residents*

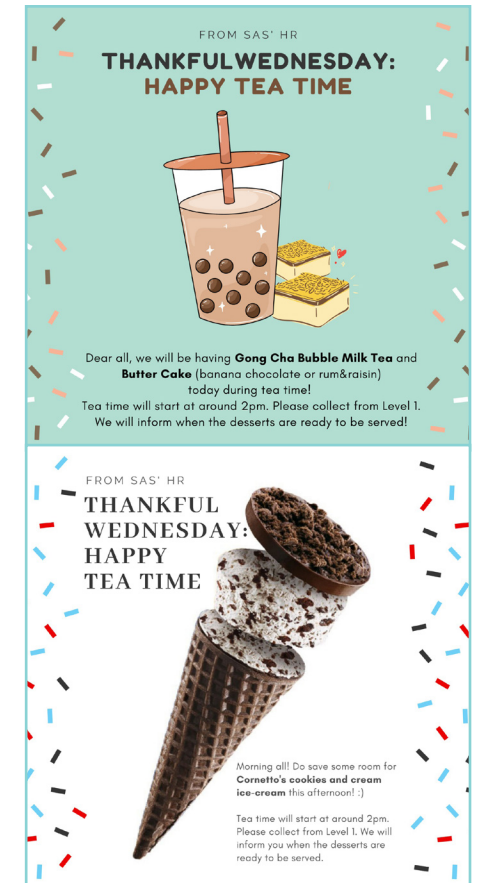


*Artworks made by residents for donors*





# Human Resource Department



## Wonderful / Thankful Wednesday

**“A family who eats together, stays together.”**

Understanding how the pandemic has affected the staff at the Home with travel and safe distancing restrictions, SAS Board members, together with the Management, had committed to bringing a *Wonderful Wednesday* to the staff to show their appreciation to them. Every Wednesday, staff were treated with little surprises during their lunch or tea breaks. It was a successful staff engagement initiative with staff reciprocating their appreciation with pictures and videos.

## Staff Accommodation Relocation

Foreign staff within the Home is one of the groups impacted greatly since last year. Protecting the healthcare workers was critical then to ensure our healthcare workers can continue to provide care delivery services to our elderly in the Home.

Stringent safe management measures had resulted in about half of our care staff residing within the Home shifting out of the nursing home. The HR department was tasked to find accommodation in the community for the staff to ensure they adhere to the zoning requirements and fulfil the accommodation guidelines from Ministry of Health. It was a massive move within a short period. It was not an easy task for staff who had to pack their belongings to move to the new place as soon as possible, but they did it anyway!

## Care Packs for Staff

The movement restrictions imposed on our foreign staff staying within the nursing home during the pandemic had brought much inconvenience to their daily lives. To support the staff, HR Department had thoughtfully put together and distributed two rounds of SAS care packs for the staff to reduce the impact of the movement restrictions – a simple way of saying SAS cares. The HR team had also tried their best to accommodate special purchases catered to individuals' needs, a true demonstration of “Person-centred care” to our fellow staff.



# Operations Department

## Kitchen

Our kitchen team implemented split team arrangements as part of a business continuity plan during the pandemic. Our humble kitchen has been serving all the meals of residents and staff over the years. Resources needed to be planned carefully with a leaner team serving the Home every day.

When the COVID-19 situation eased in Phase 3, the department took the chance to embark on the Chef Partnership Programme that provided training to the Kitchen team on how to improve food for the residents and reviewed processes to run the kitchen more efficiently.

New dishes and menus for our residents were developed during this programme to enhance the meal experience for our residents.

## Housekeeping

In this pandemic, the team has to maintain a high standard of Infection control practice, paying particular attention to high touch areas and ensuring these areas are sanitized regularly in the Home.

## Facilities Maintenance

The evolving advisories with the pandemic had pushed the team to be adaptable and resourceful in coping with the changes in the nursing home to ensure the Home adhere to the safe distancing guidelines. Our highly versatile maintenance team was tasked to convert spaces within the Home into temporary dormitories and amenities such as toilets in the shortest possible time for staff affected during this period. This includes our Malaysian staff affected by the lock-down as they could no longer travel home (to Malaysia) daily. These temporary living spaces had not only provided staff with a place to stay but also demonstrated how the Home values them, having their welfare at heart.

# The Year Ahead: Future Plans and Commitments

As Singapore moves towards the endemic phase of the COVID-19 disease and restrictions are gradually lifted, more activities are expected to resume. SAS will also be embarking on a renovation of its 2 buildings, with the older one being more than 20 years old.

## Renovation

After 3 years of careful planning, SAS will commence our building renovation at the start of next year, 2022. It is projected to complete by August 2023. The renovation includes:

1. Dementia-friendly improvement works, to provide a more conducive living environment for residents with dementia. For example, dementia affects the residents' depth of perception. Using colour contrast amongst fixtures, doors, walls and flooring can help people with dementia to identify key features and rooms. This will support them to find their way around and to use fixtures and facilities unassisted.
2. Works to improve residents' and staff's health, safety and infection control. Examples include increasing resident and staff isolation rooms for preventing an infectious disease outbreak especially during a pandemic, as well as re-configuring the nurses' stations for a better view of the residents' activity areas to provide better supervision.
3. Other works that include creating new facilities to meet the evolving operating needs of SAS. Examples include addition of meeting/multi-purpose rooms and storerooms.

The renovation will address the gaps in SAS' existing facilities which in turn will improve our service provision for the residents. The cost of the renovation is projected to be in the range of \$5m to \$6m and is partially funded by government grants.

The renovation will take at least 1.5 years to complete. During this time, resident bed occupancy will drop as we need to create empty swing wards (equivalent to 64 beds) for residents to decant to whilst their wards undergo renovation. This will result in a lower resident fee income over the next 2 financial years. SAS will strive to fill this shortfall with more active fundraising.

# 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 planning
- 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 serve 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 2022. The EXCO has approved a policy and strategy pertaining to board renewal under which succession planning has to ensure that the EXCO continue to possess the appropriate blend of skills, experience and expertise to support the SAS’s mission, objectives and strategies on an on-going basis.

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, and 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.

### 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 helped to contribute to the Personal Protective Equipment (PPE) donation during the Covid-19 period. The importance of Mrs Liew’s contribution to SAS cannot be understated and she undoubtedly remains as a key member of the EXCO.

### Dr Timothy Teoh

Dr. Teoh has been a member of the EXCO since 24 June 2008 and serves as the President of the EXCO since 21 September 2018. 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. During the current challenging Covid-19 period, Dr Teoh has been providing his valuable advice to the nursing Home on the Covid-19 measures.

## EXCO and Attendance

A total of seven (7) 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	86%
Dr Chook Kum Kay	100%
Mr Chew Loy Cheow	100%
Mr Ronald Wong	100%
Mrs Liew Soo Wah	100%
Mr Yeo Chuen Eng	100%
Dr Richard Tan	71%
Ms Wendy Soh	100%
Mr Theodor Tan	100%
Mr Johnny Chan	86%
Dr Noel Yeo (appointed on 4 September 2020)	100%
Dr Ong Geok Chwee (appointed on 2 February 2021)	N.A*

\*As Dr Ong Geok Chwee was appointed on 2 February 2021, there is no Executive Committee meeting held from her date of appointment to 31 March 2021.

## Evaluation of EXCO Performance and Evaluation

Under the Governance Sub-Committee Term of References, Governance Sub-Committee will ensure the EXCO conducts self-evaluation to assess its performance and effectiveness once a term.

## Disclosure of Remuneration and Benefits received by EXCO Members

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

## Sub-Committees

The EXCO has appointed the following Sub-Committees to assist in the execution of its responsibilities. The Sub-Committees and their Terms of Reference are as below:

Sub-Committees:	Terms of Reference:
Audit Committee (AC)	The AC monitors the integrity of the Financial Statement and reviews the overall scope of the external and internal audit to ensure the adequacy of SAS’s internal financial controls. The AC also reviewed the financial statements of SAS and the auditor’s report for the financial year ended 31 March 2021.
Finance and Investment	The Finance and Investment Committee is responsible for overseeing SAS’ financial operational controls and risk management, budget planning and monitoring, as well as capital asset management. The Committee also oversees the management of reserves and investments to ensure SAS maintains a level of reserves for its long-term financial sustainability.
Fundraising	The Fundraising Committee has oversight of all the charity’s fundraising activities and to ensure compliance to all applicable laws and regulations. The Committee shall also ensure the fundraising activity by the third party is in accordance with the Society’s objectives.
Governance	The Governance Committee helps to shape the governance of SAS by developing and recommending to the EXCO a set of governance principles, standards, and practices in line with Charity law and the code of Governance.



Sub-Committees:	Terms of Reference:
Home Management and Quality Assurance	The Home Management and Quality Assurance Committee assists the EXCO in establishing, monitoring and maintenance of internal systems and controls to give reasonable assurance that SAS is operated efficiently and with quality control for the safety and dignity of the residents of SAS.
Human Resource	The Human Resource Committee assists the Board in establishing, monitoring and maintenance of appropriate Human Resources (HR) and employment matters by ensuring HR policies are set in accordance with applicable laws.
Information Technology (IT)	The IT Committee assists the Board to manage on the planned and phased review of SAS' core IT systems, including but not limited to monitor the strategic direction of the IT programme to ensure it supports SAS' long-term goals within the ambit of its strategic framework and oversee risks related to quality and effectiveness of SAS' IT security, data privacy and disaster recover capabilities.
Procurement	The Procurement Committee assists the Board in the establishment, monitoring and maintenance of a procurement strategy and systems of internal controls for the purchases by SAS to give reasonable assurance that purchasing decisions are prudent and value for money and purchasing and procurement are done transparently and in compliance with applicable laws.

The Chairman and members of the Sub-Committee can be found on page 7 of the Annual Report.

#### 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.

There are no paid staff who are close members of the family of the Executive Head or EXCO members, who each receives total remuneration of more than \$50,000 during the year.

#### 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](http://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 2021

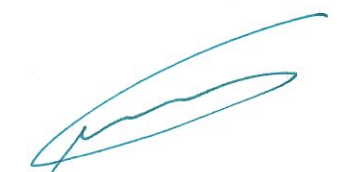
## Statement by Executive Committee

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 Financial Reporting Standards (FRS), so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2021 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

31 August 2021



.....  
Mr Ronald Wong Kin Wai  
Hon. Treasurer

RSM Chio Lim LLP

8 Wilkie Road, #03-08  
Wilkie Edge, Singapore 228095

T +65 6533 7600

Audit@RSMSingapore.sg  
www.RSMSingapore.sg

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

### Report on the audit of financial statements

#### Opinion

We have audited the accompanying financial statements of Society for The Aged Sick (the "Society"), which comprise the statement of financial position as at 31 March 2021, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards (FRS) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2021 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 SFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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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

31 Aug 2021

Engagement partner – effective from reporting year ended 31 March 2020

**SOCIETY FOR THE AGED SICK**

**Statement of Financial Activities  
Year Ended 31 March 2021**

2021	Notes	RESTRICTED				Total \$
		UNRESTRICTED	Building Reserve \$	Computer- isation Fund \$	Bob and Hazel Booker Memorial Fund \$	Sub-Total \$
		Accumulated Fund \$				
<b>Incoming Resources:</b>						
Income resources from generated funds						
Government subvention grants		9,077,023	–	–	–	9,077,023
Other government funding	4	423,465	–	–	–	423,465
Income from residents		2,342,360	–	–	–	2,342,360
Voluntary income – Donations	5	1,028,009	–	–	–	1,028,009
Other income						
Interest income	6	115,447	–	4,300	2,146	121,893
Government grant income	7	2,188,324	–	–	–	2,188,324
Subscription fee income	7	100	–	–	–	100
Amortisation of computerisation fund	7	5,307	–	(5,307)	–	–
Amortisation deferred building grant	21B	149,769	–	–	–	149,769
Amortisation of deferred government grant	21D	97,326	–	–	–	97,326
<b>Total incoming resources</b>		<b>15,427,130</b>	<b>–</b>	<b>(1,007)</b>	<b>2,146</b>	<b>15,428,269</b>

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



SOCIETY FOR THE AGED SICK

Statement of Financial Activities  
Year Ended 31 March 2021

2021	Notes	UNRESTRICTED					RESTRICTED				
		UNRESTRICTED					RESTRICTED				
		Accumulated Fund	Building Reserve	Computer- isation Fund	Hazel Booker Memorial Fund	Sub-total	Total				
		\$	\$	\$	\$	\$	\$				\$
<b>Resources Expended:</b>											
Employee benefits expense	8	9,270,482	-	-	6,090	6,090	9,276,572				
Resident nursing care costs	9	1,446,393	-	-	-	-	1,446,393				
Facilities management, maintenance and other ancillary costs	10	1,746,313	-	-	-	-					
Administrative expenses	11	1,854,450	-	-	-	-	1,746,313				
<b>Total resources expended</b>		<b>14,317,638</b>	<b>-</b>	<b>-</b>	<b>6,090</b>	<b>6,090</b>	<b>1,854,450</b>				
							<b>14,323,728</b>				
<b>Surplus for the reporting year</b>											
Balance at 1 April 2020		1,109,492	-	(1,007)	(3,944)	(4,951)	1,104,541				
<b>Balance as at 31 March 2021</b>		<b>19,159,600</b>	<b>2,629,081</b>	<b>176,901</b>	<b>91,724</b>	<b>2,897,706</b>	<b>22,057,306</b>				
		<b>20,269,092</b>	<b>2,629,081</b>	<b>175,894</b>	<b>87,780</b>	<b>2,892,755</b>	<b>23,161,847</b>				

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

SOCIETY FOR THE AGED SICK

Statement of Financial Activities  
Year Ended 31 March 2021

2020	Notes	UNRESTRICTED					RESTRICTED				
		Accumulated Fund	Compensation Fund	POSB Centenary Fund	Sub-Total	Building Reserve	Computer- isation Fund	Hazel Booker Memorial Fund	Sub-Total	Total	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Incoming Resources:</b>											
<b>Income resources from generated funds</b>											
Government subvention grants		9,855,016	-	-	9,855,016	-	-	-	-	9,855,016	
Other government funding	4	627,447	-	-	627,447	-	-	-	-	627,447	
Income from residents		2,480,339	-	-	2,480,339	-	-	-	-	2,480,339	
Voluntary income – Donations	5	968,010	-	-	968,010	-	-	-	-	968,010	
Other income											
Interest income	6	45,200	104,845	-	150,045	-	3,159	1,638	4,797	154,842	
Government grant income	7	129,543	-	-	129,543	-	-	-	-	129,543	
Subscription fee income	7	1,090	-	-	1,090	-	-	-	-	1,090	
Amortisation deferred building grant	21B	149,769	-	-	149,769	-	-	-	-	149,769	
Amortisation of deferred government grant	21D	104,339	-	-	104,339	-	-	-	-	104,339	
<b>Total incoming resources</b>		<b>14,360,753</b>	<b>104,845</b>	<b>-</b>	<b>14,465,598</b>	<b>-</b>	<b>3,159</b>	<b>1,638</b>	<b>4,797</b>	<b>14,470,395</b>	

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

Year Ended 31 March 2021										
2020	Notes	UNRESTRICTED			RESTRICTED				Total \$	
		Accumulated Fund \$	Compensation Fund \$	POSB Centenary Fund \$	Sub-total \$	Building Reserve \$	Computer-isation Fund \$	Hazel Booker Memorial Fund \$		Sub-total \$
<b>Resources Expended:</b>										
		8	8,825,504	-	-	-	-	-	-	8,825,504
	Employee benefits expense									
	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
	<b>Total resources expended</b>		13,564,218	-	-	-	-	-	-	13,564,218
<b>Surplus for the reporting year</b>										
	Balance at 1 April 2019		796,535	104,845	-	-	3,159	1,638	4,797	906,177
	<b>Balance as at 31 March 2020</b>		12,489,693	5,765,527	3,000	18,258,220	173,742	90,086	2,892,909	21,151,129
			13,286,228	5,870,372	3,000	19,159,600	176,901	91,724	2,897,706	22,057,306

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

## Statement of Financial Position As at 31 March 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	12	7,443,768	7,683,821
Other financial assets – FVTOCI	13	505,000	505,000
Other non-financial assets, non-current	14	5,529,939	5,739,279
<b>Total non-current assets</b>		<u>13,478,707</u>	<u>13,928,100</u>
<b><u>Current assets</u></b>			
Trade and other receivables	15	516,835	873,600
Other non-financial assets, current	16	342,445	630,509
Cash and cash equivalents	17	20,146,871	16,774,131
<b>Total current assets</b>		<u>21,006,151</u>	<u>18,278,240</u>
<b>Total assets</b>		<u>34,484,858</u>	<u>32,206,340</u>
<b>Funds and liabilities</b>			
<b><u>Unrestricted funds</u></b>			
Accumulated fund		20,269,092	13,286,228
POSB Centenary fund	18	–	3,000
Compensation fund	18	–	5,870,372
<b>Total unrestricted funds</b>	19	<u>20,269,092</u>	<u>19,159,600</u>
<b><u>Restricted funds</u></b>			
Building reserve	18	2,629,081	2,629,081
Computerisation fund	18	175,894	176,901
Bob and Hazel Booker Memorial Fund	18	87,780	91,724
<b>Total restricted funds</b>		<u>2,892,755</u>	<u>2,897,706</u>
<b>Total funds</b>		<u>23,161,847</u>	<u>22,057,306</u>
<b><u>Current liabilities</u></b>			
Trade and other payables	20	1,676,434	1,595,676
Other liabilities	21	9,646,577	8,553,358
<b>Total current liabilities</b>		<u>11,323,011</u>	<u>10,149,034</u>
<b>Total funds and liabilities</b>		<u>34,484,858</u>	<u>32,206,340</u>



## SOCIETY FOR THE AGED SICK

### Statement of Cash Flows For the Reporting Year Ended 31 March 2021

	2021 \$	2020 \$
<b><u>Cash flows from operating activities</u></b>		
Surplus for the reporting year	1,104,541	906,177
Adjustments for:		
Interest income	(121,893)	(154,842)
Amortisation of deferred building grant	149,769	149,769
Amortisation of deferred capital grants	97,326	104,339
Amortisation of prepaid rent premium	209,340	209,340
Depreciation of plant and equipment	474,251	462,950
Loss on disposal of plant and equipment	196	—
<b>Operating surplus before changes in working capital</b>	1,913,530	1,677,733
Trade and other receivables	325,090	(29,605)
Other non-financial assets, current	288,064	(357,922)
Cash restricted in use	83,123	(3,899,114)
Trade and other payables	80,758	659,743
Other liabilities	846,124	1,511,011
<b>Net cash flows from / (used in) operating activities</b>	3,536,689	(438,154)
<b><u>Cash flows used in investing activities</u></b>		
Purchase of property, plant and equipment	(234,394)	(458,348)
Interest received	153,568	109,641
<b>Net cash flows used in investing activities</b>	(80,826)	(348,707)
<b>Net increase / (decrease) in cash and cash equivalents</b>	3,455,863	(786,861)
Cash and cash equivalents, beginning balance	6,963,504	7,750,365
<b>Cash and cash equivalents, ending balance (Note 17)</b>	10,419,367	6,963,504

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

## SOCIETY FOR THE AGED SICK

### Notes to the Financial Statements 31 March 2021

#### 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 2021 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 Financial Reporting Standards ("FRSs") and the related interpretations to FRS(I) ("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 SFRSs may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

#### Basis of preparation of the financial statements

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

## SOCIETY FOR THE AGED SICK

### 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.

## SOCIETY FOR THE AGED SICK

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

#### 2A. Significant accounting policies (cont'd)

##### Incoming resources (cont'd)

##### (b) Grants

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.

##### (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.



## SOCIETY FOR THE AGED SICK

### 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.

## SOCIETY FOR THE AGED SICK

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

#### 2A. Significant accounting policies (cont'd)

##### Carrying amounts 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.

## SOCIETY FOR THE AGED SICK

### 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.

## SOCIETY FOR THE AGED SICK

### 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.



## SOCIETY FOR THE AGED SICK

### 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.

##### Expected credit loss allowance for trade receivables:

The allowance for expected credit losses (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 15 on trade and other receivables.

##### Estimation of 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 12 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>2021</u> \$	<u>2020</u> \$
Salaries and other short-term employee benefits	683,246	650,263
The above amounts are included under employee benefits expense.		
Number of key management in compensation bands:		
Less than \$100,000	5	4
\$100,000 to \$200,000	3	3

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>2021</u> \$	<u>2020</u> \$
Replacement ratio funding for direct care staff manpower expenses	–	3,880
Salary Adjustment Exercise (SAE) funding for manpower expenses (Note 21C)	423,465	583,708
President's Challenge Fund (Note 21E)	–	25,123
Wellness Support Package (Note 21F)	–	9,600
Others	–	5,136
	<u>423,465</u>	<u>627,447</u>

### 5. Voluntary income – donations

	<u>2021</u> \$	<u>2020</u> \$
Donations in cash	754,112	722,150
Donations in kind	273,897	245,860
	<u>1,028,009</u>	<u>968,010</u>

## SOCIETY FOR THE AGED SICK

### 5. Voluntary income – donations (cont'd)

#### 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>2021</u>	<u>2020</u>
	\$	\$
Tax-exempt receipts issued for donations collected	<u>603,488</u>	<u>547,491</u>

### 6. Interest income

	<u>2021</u>	<u>2020</u>
	\$	\$
Interest income from other financial assets	102,895	135,792
Interest income from financial institutions	<u>18,998</u>	<u>19,050</u>
	<u>121,893</u>	<u>154,842</u>

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

### 7. Other income

	<u>2021</u>	<u>2020</u>
	\$	\$
Government grant income (a)	2,188,324	129,543
Subscription fee income	<u>100</u>	<u>1,090</u>
	<u>2,188,424</u>	<u>130,633</u>

- (a) Included in the above government grant income are as follows:
- Jobs Support Scheme amounted to \$ 905,884, and
  - NH staff accommodation amounted to \$712,713 (Note 21H).

### 8. Employee benefits expense

	<u>2021</u>	<u>2020</u>
	\$	\$
Short term employee benefits expense (a)	6,741,352	6,774,099
Contributions to defined contribution plans	564,174	565,602
Other benefits (b)	<u>1,971,046</u>	<u>1,485,803</u>
	<u>9,276,572</u>	<u>8,825,504</u>

- (a) Short term employee benefits expense includes benefits like salaries, wages, and performance incentives are recognised as expenses in which the associated services are rendered by employees for the their service.

- (b) All other employee benefits expense other than those fall under the short term employee benefits expense and contributions to defined contribution plans, which include benefits like foreign worker levy, short term compensated absences, medical expenses, and insurance expenses are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

## SOCIETY FOR THE AGED SICK

### 9. Resident nursing care costs

	<u>2021</u>	<u>2020</u>
	\$	\$
Resident nursing care costs	1,366,378	1,337,513
Resident rehabilitation costs	6,285	32,187
Resident activities, volunteer and donor expenses	<u>73,730</u>	<u>60,515</u>
	<u>1,446,393</u>	<u>1,430,215</u>

### 10. Facilities management, maintenance and other ancillary costs

	<u>2021</u>	<u>2020</u>
	\$	\$
Maintenance and upkeep of premises	425,947	444,594
Utilities	401,540	463,641
Professional fees	103,505	113,247
Food and other kitchen supplies	724,714	843,931
Others	<u>90,607</u>	<u>58,201</u>
	<u>1,746,313</u>	<u>1,923,614</u>

### 11. Administrative expenses

The major component and other selected components includes the following

	<u>2021</u>	<u>2020</u>
	\$	\$
Depreciation (Note 12)	474,251	462,950
Impairment of trade receivables (Note 15)	7,068	24,082
Bad debts written off	62,490	–
Amortisation of prepaid rent premium (Note 14)	209,340	209,340
Emergency preparedness expenses	391,557	–
Purchased resource	<u>254,429</u>	<u>160,900</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 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	23,781,602	2,067,707	280,822	18,400	26,148,531
Additions	31,068	83,496	–	119,830	234,394
Disposals	–	(3,350)	–	–	(3,350)
At 31 March 2021	<u>23,812,670</u>	<u>2,147,853</u>	<u>280,822</u>	<u>138,230</u>	<u>26,379,575</u>



## SOCIETY FOR THE AGED SICK

### 12. Property, plant and equipment

	Leasehold building \$	Furniture and equipment \$	Motor Vehicles \$	Construction in progress \$	Total \$
<b>Accumulated depreciation:</b>					
At 1 April 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	16,659,007	1,596,066	209,637	–	18,464,710
Depreciation for the year	250,688	204,634	18,929	–	474,251
Disposals	–	(3,154)	–	–	(3,154)
At 31 March 2021	16,909,695	1,797,546	228,566	–	18,935,807
<b>Carrying value:</b>					
At 1 April 2019	4,036,044	586,489	104,526	2,961,364	7,688,423
At 31 March 2020	7,122,595	471,641	71,185	18,400	7,683,821
At 31 March 2021	6,902,975	350,307	52,256	138,230	7,443,768

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

### 13. Other financial assets, non-current

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

	Level	2021 \$	2020 \$
Quoted bonds in corporations with a fixed interest of 3.8% and maturing on 23 April 2027, Singapore			
Total	1	505,000	505,000

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:

	2021 \$	2020 \$
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:

	2021 \$	2020 \$
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

	2021 \$	2020 \$
Total prepaid rent premium	5,529,939	5,739,279
<b>14A. Prepaid rent premium</b>		
<b>Cost:</b>		
At the beginning and end of the year	6,280,070	6,280,070
<b>Accumulated amortisation:</b>		
At the beginning of the year	331,455	122,115
Amortisation for the year	209,340	209,340
At the end of the year	540,795	331,455
	5,739,275	5,948,615
Not later than one year	209,336	209,336
Later than one year and not later than five years	837,343	837,343
Later than five years	4,692,596	4,901,936
	5,739,275	5,948,615
<b>Presented as:</b>		
Other non-financial assets, current (Note 16)	209,336	209,336
Other non-financial assets, non-current	5,529,939	5,739,279

## SOCIETY FOR THE AGED SICK

### 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

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Trade receivables:</u>		
Outside parties	420,615	606,089
Less allowance for impairment	(142,357)	(135,289)
Government grant and subsidies receivables	108,763	227,799
Net trade receivables – sub-total	<u>387,021</u>	<u>698,599</u>
<u>Other receivables:</u>		
Outside parties	50,246	63,758
Interest receivable	79,568	111,243
Other receivables – sub total	<u>129,814</u>	<u>175,001</u>
Total trade and other receivables	<u>516,835</u>	<u>873,600</u>
Movements in above allowance on trade receivables:		
Balance at the beginning of the year	135,289	111,207
Charged to profit or loss under administrative expenses	7,068	24,082
Balance at the end of the year	<u>142,357</u>	<u>135,289</u>

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 \$142,357 (2020: \$135,289) is recognised. There is no collateral held as security and other credit enhancements for these trade receivables.

Ageing analysis of the age of trade receivable amounts:

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Trade receivables:</u>		
31 to 60 days	221,907	282,496
61 to 90 days	26,664	30,006
Over 90 days	172,044	293,587
Total	<u>420,615</u>	<u>606,089</u>

## SOCIETY FOR THE AGED SICK

### 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>2021</u>	<u>2020</u>
	\$	\$
Prepaid land premium (Note 14A)	209,336	209,336
Prepayments	9,769	2,580
Deposits to secure services	123,010	50,470
Grant receivable (a)	–	345,653
Others	330	22,470
	<u>342,445</u>	<u>630,509</u>

(a) Grant receivable relates to the estimated payout under the Jobs Support Scheme that the Foundation is expecting to receive in April 2021. The Jobs Support Scheme is introduced by the government under the Stabilisation and Support Package that was announced during Budget 2021, with the intention of providing greater assurance and support to workers and enterprises during the COVID-19 pandemic.

### 17. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	\$	\$
Not restricted in use	10,419,367	6,963,504
Restricted in use:–		
(a) Restricted in use over 3 months	1,646,159	3,267,440
(b) Cash under restricted funds (Note A)	2,892,755	2,897,706
(c) Cash restricted in use (Note B)	5,188,590	3,645,481
	<u>20,146,871</u>	<u>16,774,131</u>
Interest earning balances	<u>9,358,293</u>	<u>9,226,885</u>

#### Note A:

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



## SOCIETY FOR THE AGED SICK

### 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.

- \$74,625 (2020: \$57,932) relating to monies held on behalf of the residents.
- \$214,478 (2020: \$503,410) relating to monies held on behalf of Medifund Account from the Ministry of Health (Note 21).
- \$3,364,606 (2020: \$2,090,981) relating to monies received under Community Silver Trust Fund (Note 21A);
- \$480,293 (2020: \$903,758) relating to monies received under the Salary Adjustment Exercise (SAE) Fund from the Ministry of Health (Note 21C); and
- \$67,000 (2020: \$67,000) relating to monies received under the President's Challenge Fund (Note 21E).
- \$38,400 (2020: \$22,400) relating to monies received under Wellness Support Package. (Note 21F)
- \$949,188 (2020: NIL) relating to monies received under Nursing Home Staff Accommodation from the Ministry of Health

The rate of interest for the cash on interest-earning balances is between 0.45% and 1.30% (2020: 0.98% and 2.04%) per annum.

#### Cash and cash equivalents in the statement of cash flows:

	<u>2021</u> \$	<u>2020</u> \$
Amount as shown above	20,146,871	16,774,131
Restricted in use	<u>(9,727,504)</u>	<u>(9,810,627)</u>
Cash and cash equivalents for the statement of cash flows purposes at the end of the year	<u>10,419,367</u>	<u>6,963,504</u>

### 18. Funds of the Society

#### Unrestricted funds:

- (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.

The Society has combined both POSB Centenary Fund of \$3,000 and Compensation fund of \$6,017,494 into accumulated fund during the year.

#### Restricted funds:

- (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.

## SOCIETY FOR THE AGED SICK

### 19. Reserves policy

	<u>2021</u> \$	<u>2020</u> \$
Unrestricted Funds	<u>20,269,092</u>	<u>19,159,600</u>
Annual operating expenditure*	<u>14,317,638</u>	<u>13,564,218</u>
The ratio of reserves to annual operating expenditure (times)	<u>1.42</u>	<u>1.41</u>

\* 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>2021</u> \$	<u>2020</u> \$
<u>Trade payables:</u>		
Outside parties	<u>510,545</u>	<u>571,220</u>
<u>Other payables:</u>		
Outside parties and accrued liabilities	579,501	624,371
Residents' funds held on behalf	74,625	57,932
Residents' maintenance deposits	6,807	15,477
Non-refundable payments received in advance	447,593	271,554
Deferred income	<u>57,363</u>	<u>55,122</u>
Total other payables	<u>1,165,889</u>	<u>1,024,456</u>
Total trade and other payables	<u>1,676,434</u>	<u>1,595,676</u>

## SOCIETY FOR THE AGED SICK

### 21. Other liabilities

	<u>2021</u> \$	<u>2020</u> \$
Community Silver Trust – deferred income (Note 21A)	3,364,606	2,090,981
Deferred building grant (Note 21B)	4,106,167	4,255,936
Funding from the Ministry of Health (Note 21C)	480,293	903,758
Deferred capital grant (Note 21D)	281,046	364,220
President's Challenge Fund (Note 21E)	67,000	67,000
Wellness Support Package (Note 21F)	38,400	22,400
Jobs Support Scheme (Note 21G)	145,399	345,653
NH Staff Accommodation (Note 21H)	949,188	–
Monies held on behalf of Medifund Account (Note 17)	214,478	503,410
	<u>9,646,577</u>	<u>8,553,358</u>

#### 21A. Community Silver Trust – deferred income

	<u>2021</u> \$	<u>2020</u> \$
Balance at the beginning of the year	2,090,981	231,419
Received during the year	1,373,625	1,990,981
Transfer to deferred capital grant (Note 21D)	–	(131,419)
Refund of unutilised grant	(100,000)	–
Balance at the end of the year	<u>3,364,606</u>	<u>2,090,981</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 facilities improvement work and purchase of electrical hospital beds. The balance as at the end of the reporting year represents CST funding received but not utilised.

#### 21B. Deferred building grant

	<u>2021</u> \$	<u>2020</u> \$
<u>At cost:</u>		
Balance at the beginning and end of the year	<u>17,755,298</u>	<u>17,755,298</u>
<u>Accumulated amortisation:</u>		
Balance at the beginning of the year	13,499,362	13,349,593
Amortisation for the year	149,769	149,769
Balance at the end of the year	<u>13,649,131</u>	<u>13,499,362</u>
<u>Carrying value:</u>		
Balance at the beginning of the year	<u>4,255,936</u>	<u>4,405,705</u>
Balance at the end of the year	<u>4,106,167</u>	<u>4,255,936</u>

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

## SOCIETY FOR THE AGED SICK

### 21. Other liabilities (cont'd)

#### 21C. Funding from the Ministry of Health

	<u>2021</u> \$	<u>2020</u> \$
Balance at the beginning of the year	903,758	1,487,466
Utilisation for staff payment	(423,465)	(583,708)
Balance at the end of the year	<u>480,293</u>	<u>903,758</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>2021</u> \$	<u>2020</u> \$
<u>At cost:</u>		
Balance at the beginning of the year	660,082	485,737
Purchase of plant and equipment – grants received	14,152	42,926
Transfer from Community Silver Trust – deferred Income (Note 21A)	–	131,419
Balance at the end of the year	<u>674,234</u>	<u>660,082</u>
<u>Accumulated amortisation:</u>		
Balance at the beginning of the year	295,862	191,523
Amortisation for the year	97,326	104,339
Balance at the end of the year	<u>393,188</u>	<u>295,862</u>
<u>Carrying value:</u>		
Balance at the beginning of the year	<u>364,220</u>	<u>294,214</u>
Balance at the end of the year	<u>281,046</u>	<u>364,220</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>2021</u> \$	<u>2020</u> \$
Balance at the beginning of the year	67,000	25,123
Grants received during the year	–	67,000
Utilisation	–	(25,123)
Balance at the end of the year	<u>67,000</u>	<u>67,000</u>

President's Challenge Fund received is for defraying part of the manpower and retrofitting cost to provide dignified care and comforting environment for resident at end of life.



## SOCIETY FOR THE AGED SICK

### 21. Other liabilities (cont'd)

#### 21F. Wellness Support Package

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance at the beginning of the year	22,400	32,000
Grants received during the year	16,000	–
Utilisation	–	(9,600)
Balance at the end of the year	<u>38,400</u>	<u>22,400</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).

#### 21H. NH Staff accommodation

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance at the beginning of the year	–	–
Grants received during the year	1,661,900	–
Utilisation	(712,712)	–
Balance at the end of the year	<u>949,188</u>	<u>–</u>

NH Staff accommodation funding received from the Agency Integrated Care (“AIC”) is to support the Society's effort on transistion to the new norm for staff accommodation to strengthen of split zone implementation. The balance as the end of the reporting year represents funding receveid but not utilised.

### 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.

## SOCIETY FOR THE AGED SICK

### 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>2021</u>	<u>2020</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	20,663,706	17,647,731
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>21,168,706</u>	<u>18,152,731</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>1,171,478</u>	<u>1,269,000</u>

Further quantitative disclosures are included throughout these financial statements.

#### 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.

## SOCIETY FOR THE AGED SICK

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

#### 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 general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets 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.

#### 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 average credit period taken to settle trade payables is about 30 days (2020: 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:

	<u>2021</u>	<u>2020</u>
	\$	\$
Financial assets:		
Fixed rates	<u>9,863,293</u>	<u>9,731,885</u>

Sensitivity analysis: The effect on surplus is insignificant.

## SOCIETY FOR THE AGED SICK

### 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. Capital commitments

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Commitments to purchase of property, plant and equipment	<u>458,910</u>	<u>–</u>

### 25. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 1 and 8	Definition of Material – Amendments to
FRS PS 2	FRS Practice Statement 2 Making Materiality Judgements
FRS 116	Covid-19 Related Rent Concessions – Amendment to (effective from 30 June 2020)

### 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 reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in 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 entity's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 1	Classification of Liabilities as Current or Non-current – Amendments to	1 January 2023
Various	Annual Improvements to FRS 2019 – 2020	1 January 2022



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