

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

**AUDITED FINANCIAL STATEMENTS AND
OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

AD/CYS/KOH

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

CONTENTS	PAGE
General information	1
Statement by the Board of Directors	2
Independent Auditor's Report	3 - 5
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7 - 9
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 35

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

GENERAL INFORMATION

BOARD OF DIRECTORS

Name	Position on Board
Lau Wah Ming	Honorary Chairman
Angelina Chua Siang Kee	Honorary Vice-Chairman
Loh Mun Fei	Honorary Secretary
Alvin Poh Lye Heng	Honorary Treasurer
Sunil Gladson Peter	Honorary Assistant Treasurer
Foo Say Chiang	Honorary Director
Dr Yang Sik Horng	Honorary Director
Dr Goh Boon Cher	Honorary Director
Dr Kok Moo Ling	Honorary Director
Rev Dr Alby Yip Kong Fai	Honorary Director

REGISTERED OFFICE

6 Bishan Street 13
Singapore 579798

AUDITOR

Kreston David Yeung PAC

BANKERS

DBS Bank Ltd
Hong Leong Finance Limited
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
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STATEMENT BY THE BOARD OF DIRECTORS

In the opinion of the Board of Directors of Bishan Home for The Intellectually Disabled (the "Home"),

- (a) the accompanying financial statement of the Home are drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards (the "FRSs") in Singapore so as to present fairly, in all material respects, the state of affairs of the Home as at 31 March 2023 and the results, change in funds and cash flows of the Home for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,



LAU WAH MING
Honorary Chairman



POH LYE HENG
Honorary Treasurer

Singapore, **18 SEP 2023**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BISHAN HOME FOR THE INTELLECTUALLY DISABLED (UEN: T07SS0102D)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bishan Home for the Intellectually Disabled (the "Home"), which comprise the statement of financial position of the Home as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows of the Home for the year then ended, and notes to the financial statements, 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 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Home as at 31 March 2023 and the results, changes in funds and cash flows of the Home 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 Home 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 Statement by the Board of Directors set out on page 1 and general information, but does not include the financial statements and our auditor's report thereon. The Annual Report of the Home is expected to be made available to us after the date of this independent auditor's report.

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 identified above when it becomes available 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. When we read the Home's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BISHAN HOME FOR THE INTELLECTUALLY DISABLED (UEN: T07SS0102D)**
(Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSSs, 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 Home'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 Home or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BISHAN HOME FOR THE INTELLECTUALLY DISABLED (UEN: T07SS0102D)**
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Home'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 Home to cease to continue as a going concern.
- 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Home have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

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


KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 18 September 2023

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
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BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Note	2023 S\$	2022 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,469,890	2,826,437
Right-of-use assets	4	56,060	121,562
Total non-current assets		2,525,950	2,947,999
Current assets			
Programme fees in arrears	5	5,468	3,861
Other receivables		116	227
Deposits		19,620	21,360
Prepayments		18,953	164,200
Government grant receivables	6	237,582	394,625
Cash and cash equivalents	7	14,542,345	13,201,417
Total current assets		14,824,084	13,785,690
Total assets		17,350,034	16,733,689
FUNDS AND LIABILITIES			
Funds			
<u>Unrestricted Fund</u>			
Accumulated general fund	8	237,174	237,174
<u>Restricted Funds</u>			
Accumulated general fund		13,335,720	11,899,798
Designated fund - Sinking fund	8	400,000	400,000
Deferred capital donations/grants	8	2,174,455	2,642,463
Deferred capital grant - CST	8	162,300	20,200
Friends of Dixie Tan fund	8	299,446	298,824
Community Silver Trust fund	8	178,940	423,815
Total restricted funds		16,550,861	15,685,100
Total funds		16,788,035	15,922,274
Non-current liability			
Lease liabilities	9	17,747	57,537
Current liabilities			
Lease liabilities	9	42,171	65,056
Other payables	10	246,484	231,525
Government grant payables	6	-	183,916
Accrued operating expenses		165,832	182,756
Programme fees received in advance		8,595	9,795
Deposits received	11	81,170	80,830
Total current liabilities		544,252	753,878
Total liabilities		561,999	811,415
Total funds and liabilities		17,350,034	16,733,689

The notes set out on pages 12 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2023

The notes set out on pages 12 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2023

	Note	Unrestricted Funds		Restricted Funds			
				2023			
		S\$	S\$	Residential Home	Day Activity Centre	Total	2022
				S\$	S\$	S\$	S\$
Charitable activities expenses							
Activities and outings		-	11,160	-	-	11,160	5,386
Food and marketing		-	238,967	8,995	8,143	247,962	211,482
Information technology		-	6,037	42	91	6,079	3,683
Miscellaneous expenses		-	1,178	281	148	1,459	1,837
Nursing supplies and medical services		-	70,637	2,209	2,446	72,846	73,911
Staff costs	17	-	2,244,375	153,666	160,439	2,398,041	2,245,867
Transportation		-	12,258	17,464	14,839	29,722	21,948
Total charitable activities expenses		-	2,584,612	182,657	186,621	2,767,269	2,564,114
Governance costs							
Auditors' remuneration		-	9,029	1,858	2,155	10,887	10,202
Depreciation of property, plant and equipment		-	613,370	-	-	613,370	547,964
General maintenance		-	90,724	10,081	8,872	100,805	88,718
Herbs & spice garden expenses		-	315	-	-	315	-
Insurance		-	37,779	2,765	2,733	40,544	38,815
Other professional fees		-	71,460	-	-	71,460	79,819
Registration fees		-	-	-	-	-	476
Property maintenance		-	6,665	741	1,936	7,406	19,629
Staff costs	17	-	579,767	59,148	62,233	638,915	661,570
Telecommunication		-	7,649	616	1,132	8,265	7,352
Utilities		-	174,640	-	-	174,640	202,907
Total governance costs		-	1,591,398	75,209	79,061	1,666,607	1,657,452
Balance carried forward		-	4,176,010	257,866	265,682	4,433,876	4,221,566

The notes set out on pages 12 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2023

		Unrestricted Funds		Restricted Funds			
		Residential Home	Residential Home	Day Activity Centre	Total	Residential Home	Day Activity Centre
Note		S\$	S\$	S\$	S\$	S\$	S\$
	Balance brought forward	-	4,176,010	257,866	4,433,876	3,955,884	265,682
							4,221,566
Other operating and administration expenses							
5	Allowance for expected credit losses	-	13,156	2,240	15,396	14,094	882
5	Allowance of expected credit losses written back	-	(6,913)	-	(6,913)	(4,170)	-
	Anniversary celebration	-	8,643	-	8,643	6,378	-
	Bank charges	-	710	79	789	716	80
4	Depreciation of right-of-use assets	-	61,837	12,665	74,502	39,154	7,831
	Financial assistance to resident	-	3,076	-	3,076	2,000	-
	Property, plant and equipment written-off	-	400	-	400	-	-
	Mattresses and bed linen	-	5,522	-	5,522	4,384	-
	Non-capitalised assets	-	17,508	-	17,508	23,325	185
	Other operating expenses	-	1,560	-	1,560	826	-
	Printing and stationery	-	6,180	687	6,867	7,356	817
	Refreshment	-	2,738	-	2,738	1,949	-
	Rental of equipment	-	6,612	1,192	7,804	5,713	1,106
							6,819
		-	121,029	16,863	137,892	101,725	10,901
							112,626
Finance expenses							
9	Interest expense on lease liabilities	-	4,086	837	4,923	3,802	761
							4,563
Total expenditure (Page 7)		-	4,301,125	275,566	4,576,691	4,061,411	277,344
							4,338,755

The notes set out on pages 12 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

STATEMENT OF CHANGES IN FUNDS
For the year ended 31 March 2023

	Unrestricted Funds	<-----Restricted Funds----->					
		<-----General Funds----->					
		Accumulated General Fund S\$	Residential Home S\$	Day Activity Centre S\$	Total General Fund S\$	Others Restricted funds S\$	Total Restricted Funds S\$
Balance as at 01.04.2021	237,174	10,043,956	576,653	10,620,609	4,174,611	14,795,220	15,032,394
Net surplus/(deficit) for the year	-	1,150,014	129,175	1,279,189	(389,309)	889,880	889,880
Balance as at 31.03.2022/01.04.2022	237,174	11,193,970	705,828	11,899,798	3,785,302	15,685,100	15,922,274
Net surplus/(deficit) for the year	-	1,282,181	153,741	1,435,922	(570,161)	865,761	865,761
Balance as at 31.03.2023	237,174	12,476,151	859,569	13,335,720	3,215,141	16,550,861	16,788,035
					(Note 8)	(Note 8)	

The notes set out on pages 12 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Note	2023 S\$	2022 S\$
Cash flows from operating activities			
Surplus for the year		865,761	889,880
Adjustments for:-			
Allowance for expected credit losses		15,396	14,976
Allowance for expected credit losses written back		(6,913)	(4,170)
Fair value loss on quoted debt securities		-	3,452
Depreciation of property, plant and equipment		613,370	547,964
Depreciation of right-of-use assets		74,502	46,985
Loss on modification of lease		802	-
Property, plant and equipment written-off		400	-
Interest expenses		4,923	4,563
Interest income		(38,213)	(68,335)
Operating surplus before working fund changes		<u>1,530,028</u>	<u>1,435,315</u>
Changes in working fund:-			
Decrease/(Increase) in other receivables		154,115	(340,215)
(Decrease)/Increase in other payables		(186,741)	190,729
Net cash generated from operating activities		<u>1,497,402</u>	<u>1,285,829</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(117,287)	(170,858)
Proceeds received from maturity of quoted debt securities		-	250,000
Increase in pledged deposit		(10,000)	-
Increase in long-term fixed deposits		(1,535,596)	(1,318,212)
Interest received		38,213	68,335
Net cash used in investing activities		<u>(1,624,670)</u>	<u>(1,170,735)</u>
Cash flows from financing activity			
Payment of lease liabilities and lease interest		(77,400)	(51,600)
Net cash used in financing activity		<u>(77,400)</u>	<u>(51,600)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(204,668)</u>	<u>63,494</u>
Cash and cash equivalents at beginning of year		<u>1,980,005</u>	<u>1,916,511</u>
Cash and cash equivalents at end of year	7	<u>1,775,337</u>	<u>1,980,005</u>

The notes set out on pages 12 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Bishan Home for the Intellectually Disabled (the “Home”) is registered under the Societies Act 1966 and Charities Act 1994. The Home has been registered as a charity under the Charities Act 1994, with effect since 1 August 2007. The Home has been granted the Institution of a Public Character (IPC) status until 30 June 2024.

The principal activities of the Home are to provide a place of residence and care for the intellectually disabled.

The registered office and principal place of operations of the Home is located at 6 Bishan Street 13, Singapore 579798.

The financial statements of the Home are presented in Singapore dollar (SGD or S\$).

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Home have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”). They are in compliance with the provision of the Societies Act 1966 and the Charities Act 1994.

In the current financial year, the Home has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for the annual periods beginning on or after 1 April 2022. The adoptions of these new/revised FRSs and INT FRSs have no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Home’s accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Critical assumptions used and accounting estimates in applying accounting policies

Useful lives of property, plant and equipment and right-of-use assets

As described in Note 2(d), the Home reviews the estimated useful lives of property, plant and equipment and right-of-use assets at the end of each annual reporting period. The estimated useful lives reflect the management's estimation of the periods that the Home intends to derive future economic benefits from the use of the Home's property, plant and equipment and right-of-use asset. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised.

The carrying amounts of property, plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Note 3 and Note 4 respectively to the financial statements.

Critical judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment and right-of-use assets

The Home assesses annually whether property, plant and equipment and right-of-use assets have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment and right-of-use assets have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Allowance for expected credit losses on financial assets at amortised costs

The Home assesses the expected credit losses associated with its financial assets carried at amortised cost on a forward looking basis. The methodology applied depends on whether there had been a significant increase in credit risk. The Home considers significant increase in credit risk as a material deterioration on the counterparty's rating and the counterparty is unlikely to pay its obligations to the Home in full.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses (ECLs) is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Home's historical credit loss experience and forecast of economic conditions may also not be representative of actual default in the future.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Home and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs over the estimated useful lives of property, plant and equipment as follows: -

Leasehold property	30 years
Motor vehicles	10 years
Computers	3 years
Equipment	5 years
Furniture and fittings	5 – 10 years
Renovation	10 years
Herbs and spice garden	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

d) Impairment of Non-Financial Assets

The Home assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any indication exists, or when an annual impairment assessment for an asset is required, the Home makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Impairment of Non-Financial Assets (Continued)

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

e) Financial Instruments

i) Financial Assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Home becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Home measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Programme fee and other receivables are measured at the amount of consideration to which the Home expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amount collected on behalf of third party, if the receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instrument depends on the financial asset's contractual cash flow characteristics and the Home's operation model for managing them. The Home only has debt instruments at amortised cost.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Instruments (Continued)

i) Financial Assets (Continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Home becomes a party to the contractual provisions of the financial instrument. The Home determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

f) Impairment of Financial Assets

The Home recognises an allowance for expected credit losses (ECL) for all debt instruments and financial guarantee contracts not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Home expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held of other credit enhancement that are integral to the contractual term.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of Financial Assets (Continued)

Financial assets carried at amortised cost

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For programme fee and other receivables, the Home applies a simplified approach in calculating ECLs. Therefore, the Home does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Home has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Home considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Home may also consider a financial asset to be in default when internal or external information indicates that the Home is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Home. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

g) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, cash at bank and short-term fixed deposits which form part of the Home's cash management that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

h) Funds

The Home maintains both unrestricted and restricted funds.

Unrestricted funds are expendable at the discretion of the directors in furtherance of the Home's objects. If part of an unrestricted fund is earmarked for a particular object it may be designated as a separate fund. While the designation has an administrative purpose, it does not legally restrict the directors's discretion to apply the funds.

Restricted funds are subject to specific trust, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still maintain the wider objects of the Home.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Revenue Recognition

Revenue is measured based on the consideration to which the Home expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Home satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue is recognised on the following basis:-

- (i) Income from programme fee which include the programme provided to residents, net of government subsidy, is recognised over time upon rendering of services.
- (ii) Donations are recognised when monies are received, except for committed donations that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations.
- (iii) Recurrent funds are taken up on accrual basis. Based on the funding principles, accruals are accounted for any over/under funding payable to/from the Government.
- (iv) Interest income is recognised using the effective interest method.

j) Government Grant

Grants for the purchase of depreciable assets are taken to the deferred capital grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred capital grant is recognised in profit or loss over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses are recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

k) Key Management Personnel

Key management personnel of the Home are those persons having authority and responsibility for planning, directing and controlling the activities of the Home. The members of the Board of Directors, Head of Home, matron and accountant are considered as key management personnel.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Employee Benefits

Defined Contribution Plans

As required by law, the Home makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Employee Leave Entitlement

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

m) Foreign Currency

Functional and presentation currency

Items included in the financial statements of the Home are measured using the currency of the primary economic environment in which the Home operates (“functional currency”). The financial statements of the Home are presented in Singapore dollar, which is the Home’s functional currency.

Transactions and balances

Transactions in foreign currencies are measured and recorded in Singapore dollar at the exchange rate in effect at the date of transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at the end of the reporting period. All realised and unrealised differences are taken to profit or loss.

n) Provisions

Provisions are recognised when the Home has a present obligation (legal or constructive) as a result of past events, 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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Contingencies

A contingent liability is:-

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Home; or
- (b) a present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Home.

Contingent liabilities and assets are not recognised on the statement of financial position of the Home.

p) Leases

The Home assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Home applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Home recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Home recognises right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use asset are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) **Leases (Continued)**

As lessee (Continued)

Right-of-use assets (Continued)

If ownership of the leased asset transfers to the Home at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(d).

Lease liabilities

At the commencement date of the lease, the Home recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Home and payments of penalties for terminating the lease, if the lease term reflects the Home exercising the option for terminating the lease, if the lease term reflects the Home exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

3. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold property</u> S\$	<u>Motor vehicles</u> S\$	<u>Computers</u> S\$	<u>Equipment</u> S\$	<u>Furniture and fittings</u> S\$	<u>Renovation</u> S\$	<u>Herbs and spice garden</u> S\$	<u>Total</u> S\$
<u>Cost</u>								
At 01.04.2021	8,220,293	201,622	159,453	812,638	410,965	2,948,784	44,783	12,798,538
Additions	-	-	17,420	153,438	-	-	-	170,858
Disposal	-	-	-	(15,921)	-	-	-	(15,921)
At 31.03.2022/01.04.2022	8,220,293	201,622	176,873	950,155	410,965	2,948,784	44,783	12,953,475
Additions	-	-	201,433	45,394	5,476	4,920	-	257,223
Disposal	-	-	-	(3,209)	-	-	-	(3,209)
At 31.03.2023	8,220,293	201,622	378,306	992,340	416,441	2,953,704	44,783	13,207,489
<u>Accumulated Depreciation</u>								
At 01.04.2021	6,413,000	94,655	150,993	691,019	389,900	1,811,177	44,251	9,594,995
Charge for the year	274,010	20,162	8,824	57,186	5,991	181,259	532	547,964
Disposal	-	-	-	(15,921)	-	-	-	(15,921)
At 31.03.2022/01.04.2022	6,687,010	114,817	159,817	732,284	395,891	1,992,436	44,783	10,127,038
Charge for the year	274,010	15,927	74,767	66,489	5,774	176,403	-	613,370
Disposal	-	-	-	(2,809)	-	-	-	(2,809)
At 31.03.2023	6,961,020	130,744	234,584	795,964	401,665	2,168,839	44,783	10,737,599
<u>Net Book Value</u>								
At 31.03.2023	1,259,273	70,878	143,722	196,376	14,776	784,865	-	2,469,890
At 31.03.2022	1,533,283	86,805	17,056	217,871	15,074	956,348	-	2,826,437

* Additions of computers included an amount S\$139,936 reclassified from prepayment.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

4. RIGHT-OF-USE ASSETS

	Blk 177 - Apartment flat S\$	Blk 168 - Apartment flat S\$	Total S\$
Cost			
At 01.04.2021	93,970	-	93,970
Addition	-	100,680	100,680
At 31.03.2022/01.04.2022	93,970	100,680	194,650
Lease modification	9,000	-	9,000
At 31.03.2023	102,970	100,680	203,650
Accumulated Depreciation			
At 01.04.2021	26,103	-	26,103
Depreciation charge for the year	31,323	15,662	46,985
At 31.03.2022/01.04.2022	57,426	15,662	73,088
Depreciation charge for the year	39,824	34,678	74,502
At 31.03.2023	97,250	50,340	147,590
Net Book Value			
At 31.03.2023	5,720	50,340	56,060
At 31.03.2022	36,544	85,018	121,562

The lease of apartments are for the staff accommodation.

During the year, the Home has modified its existing leasehold apartment contract with an increase in the monthly lease payment.

5. PROGRAMME FEES IN ARREARS

	2023 S\$	2022 S\$
Programme fees in arrears	87,487	84,065
Less: Allowance for expected credit losses	(82,019)	(80,204)
	5,468	3,861

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

5. PROGRAMME FEES IN ARREARS (Continued)

	2023 S\$	2022 S\$
<u>Movements of allowance for expected credit losses</u>		
Balance at beginning of year	80,204	91,535
Charge for the year	15,396	14,976
Write-back during the year	(6,913)	(4,170)
Written off during the year	(6,668)	(22,137)
Balance at end of year	<u>82,019</u>	<u>80,204</u>

Programme fees receivables are generally on a 30 (2022: 30) days credit term. They are billed on a monthly basis and recognised at their original invoiced amounts which represent their fair value on initial recognition.

The Home does not charge any interest, unless otherwise stated. Programme fees in arrears include an amount of S\$3,454 (2022: S\$1,186) which is past due at the end of the reporting period but not impaired.

The table below is an aging analysis of programme fees in arrears as at the end of the reporting period:-

	Gross 2023 S\$	Allowance for credit losses 2023 S\$	Gross 2022 S\$	Allowance for credit losses 2022 S\$
Not past due	6,210	(4,195)	5,735	(3,060)
Past due: -				
- 1 to 30 days	4,085	(3,811)	3,938	(3,330)
- 31 to 60 days	3,290	(2,970)	2,440	(2,440)
- Over 60 days	73,903	(71,043)	71,952	(71,374)
	<u>81,278</u>	<u>(77,824)</u>	<u>78,330</u>	<u>(77,144)</u>
	<u>87,488</u>	<u>(82,019)</u>	<u>84,065</u>	<u>(80,204)</u>

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

6. GOVERNMENT GRANT RECEIVABLES / PAYABLES

	2023 S\$	2022 S\$
Government grant receivables:-		
- Community Silver Trust Matching grant	166,382	394,625
- Ministry of Social and Family Development	71,200	-
	<u>237,582</u>	<u>394,625</u>
Government grant payable:-		
- Ministry of Social and Family Development	-	183,916
	<u>-</u>	<u>183,916</u>

7. CASH AND CASH EQUIVALENTS

Cash in hand	4,500	5,009
Cash at bank	1,770,837	1,974,996
Fixed deposits	<u>12,767,008</u>	<u>11,221,412</u>
Cash and bank balances as disclosed in the statement of financial position	14,542,345	13,201,417
Less: Fixed deposits pledged	(10,000)	-
Less: Fixed deposits with maturity more than 3 months, at the end of the reporting period	<u>(12,757,008)</u>	<u>(11,221,412)</u>
Cash and cash equivalents as disclosed in the statement of cash flows	<u>1,775,337</u>	<u>1,980,005</u>

The fixed deposits are placed with reputable financial institutions for 12 months (2022: 6 to 18 months) depending on the immediate cash requirement of the Home and earn interest at rates ranging from 0.30% to 2.74% (2022: 0.29% to 0.50%) per annum.

8. TOTAL FUNDS

	1 April 2022 S\$	Reclassification S\$	Receipts/ Income S\$	(Expenses)/ (Utilisation)/ (Refund) S\$	Net movements S\$	31 March 2023 S\$
<u>Unrestricted funds</u>						
Accumulated general fund	<u>237,174</u>	-	-	-	-	<u>237,174</u>
<u>Restricted funds</u>						
Accumulated general fund	11,899,798	-	6,012,613	(4,576,691)	1,435,922	13,335,720
Sinking fund	400,000	-	-	-	-	400,000
Deferred capital donation	2,642,463	-	-	(468,008)	(468,008)	2,174,455
Deferred capital grant- CST	20,200	218,233	-	(76,133)	142,100	162,300
Friends of Dixie Tan fund	298,824	-	622	-	622	299,446
Community Silver Trust	<u>423,815</u>	<u>(218,233)</u>	<u>166,383</u>	<u>(193,025)</u>	<u>(244,875)</u>	<u>178,940</u>
	<u>15,685,100</u>	-	<u>6,179,618</u>	<u>(5,313,857)</u>	<u>865,761</u>	<u>16,550,861</u>
Total funds	<u>15,922,274</u>	-	<u>6,179,618</u>	<u>(5,313,857)</u>	<u>865,761</u>	<u>16,788,035</u>

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

8. TOTAL FUNDS (Continued)

	1 April 2021	Receipts/ Income	(Expenses)/ (Utilisation)/ (Refund)	Net movements	31 March 2022
	S\$	S\$	S\$	S\$	S\$
<u>Unrestricted funds</u>					
Accumulated general fund	237,174	-	-	-	237,174
<u>Restricted funds</u>					
Accumulated general fund	10,620,609	5,617,944	(4,338,755)	1,279,189	11,899,798
Sinking fund	400,000	-	-	-	400,000
Deferred capital donation	3,103,384	-	(460,921)	(460,921)	2,642,463
Deferred capital grant- CST	31,130	-	(10,930)	(10,930)	20,200
Friends of Dixie Tan fund	307,095	5,550	(13,821)	(8,271)	298,824
Community Silver Trust	333,002	394,625	(303,812)	90,813	423,815
	14,795,220	6,018,119	(5,128,239)	889,880	15,685,100
Total funds	15,032,394	6,018,119	(5,128,239)	889,880	15,922,274

Restricted Funds

a) Sinking Fund

The sinking fund is a designated fund set aside by the Home to finance major repair activities of the Home as and when necessary.

b) Deferred Capital Donation

Deferred capital donation was set up for the purpose of funding the Home's leasehold property and equipment through donations received from donors who have specified the purposes of donations. The amount utilised for the financing of leasehold property and equipment are transferred to deferred capital donation and amortised over the useful lives of the related assets to match the relevant depreciation of these assets.

Depreciation of leasehold property and equipment is accounted for when the assets are available for use. Total depreciation of S\$468,008 (2022: S\$483,211) has been charged to profit or loss to match the relevant amount of amortisation released from the deferred capital donation account during the year.

c) Friends of Dixie Tan Fund

The Friends of Dixie Tan Fund was set up by a group of donors in memory of Dr Dixie Tan (resident's late parent and former member of parliament) to help pay the bills for the needy beneficiaries of the Home. It was intended to generate returns from the principal donated amount so as to increase the sustainability of the fund. The fund amount has been transferred to fixed deposit with a licensed bank in the previous financial year.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

8. TOTAL FUNDS (Continued)

Restricted Funds (Continued)

d) Community Silver Trust Fund

The Community Silver Trust Fund was set up by the government to enhance and expand the services of Social Service Organisations (“SSO’s”) in the intermediate and long-term care sectors. This fund is a dollar-for-dollar donation matching grant from the government to increase the capacity and capabilities of the Home by adding approved equipment, innovative projects and programmes. With effect since financial year 2014, eligible SSO’s are allowed to utilise the CST matching grants for recurrent operating expenses, subject to a threshold that to be determined based on a maximum 40% of eligible donations received in the preceding financial year. The amount received will be amortised to profit or loss in the year as the related expenditure is incurred.

	2023 S\$	2022 S\$
Balance at beginning of year	423,815	333,002
Add: Matching grant receivable	<u>166,383</u>	<u>394,625</u>
	590,198	727,627
Less: Utilised during the year		
Operating expenditure	(124,253)	(127,439)
Utilisation of CST Funds for fixed assets	(218,233)	-
Matching donations	(66,553)	(157,850)
Refund of expired project	(2,219)	(18,523)
	<u>(411,258)</u>	<u>(303,812)</u>
Balance at end of year	<u>178,940</u>	<u>423,815</u>

9. LEASE LIABILITIES

The Home as a lessee

The Home has several lease contracts for the rental of apartment flats. The Home’s obligations under these leases are secured by the lessor’s title to the leased assets. The Home is restricted from assigning and subleasing its leased assets. The lease contracts contain options of extension of the lease term.

The Home also has leases of office premises and other events venue with lease terms of 12 months or less and, leases with low value assets. The Home applies the “short-term lease” and “lease of low-value assets” recognition exemptions of these leases.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

9. LEASE LIABILITIES (Continued)

The Home as a lessee (Continued)

a) Lease liabilities

The carrying amount of lease liabilities and the movements for both of the reporting periods are as below:-

<--- Non-cash changes --->							
	1 April 2022 S\$	Lease entered during the reporting period	Modification of lease liability S\$	Cash flows S\$	Accretion of interest S\$	Reclassification S\$	31 March 2023 S\$
Lease liabilities:-							
- Current	65,056	-	9,802	(77,400)	4,923	39,790	42,171
- Non-current	57,537	-	-	-	-	(39,790)	17,747
	122,593	-	9,802	(77,400)	4,923	-	59,918

<--- Non-cash changes --->							
	1 April 2021 S\$	Lease entered during the reporting period	Modification of lease liability S\$	Cash flows S\$	Accretion of interest S\$	Reclassification S\$	31 March 2022 S\$
Lease liabilities:-							
- Current	30,918	16,119	-	(51,600)	4,563	65,056	65,056
- Non-current	38,032	84,561	-	-	-	(65,056)	57,537
	68,950	100,680	-	(51,600)	4,563	-	122,593

(b) Lease expenses recognised in profit or loss

	2023 S\$	2022 S\$
Depreciation of right-of-use asset	74,502	46,985
Interest expense on lease liabilities	4,923	4,563
	79,425	51,548
<u>Add: Lease expenses not capitalised in lease liabilities</u>		
Expenses relating to short-term leases	9,271	18,000
Expenses relating to low-value assets	-	6,819
	9,271	24,819
Total lease expenses recognised in profit or loss	88,696	76,367

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

9. LEASE LIABILITIES (Continued)

The Home as a lessee (Continued)

(c) Total cash outflows

The Home had total cash outflows for leases of S\$86,671 (2022: S\$76,419) for the reporting period.

(d) During the year, there is a lease modification as a result of an increase in monthly lease payment.

(e) The Home has included the extension option in the lease term as it is reasonably certain that the lease shall be extended continuously to support the Home's operations.

10. OTHER PAYABLES

	2023 S\$	2022 S\$
Cash held for residents	82,025	82,692
Medical expenses		
- Advances from residents	88,240	75,216
- Donation received from Life Bible - Presbyterian Church	28,021	26,021
Donation received from Singapore Polytechnic for the purchase of materials to be used by volunteers	6,559	6,559
Sundry creditors	41,639	41,037
	<u>246,484</u>	<u>231,525</u>

11. DEPOSITS RECEIVED

Residents' programme fee	66,450	66,110
Day activity centre - Clients' programme fee	14,720	14,720
	<u>81,170</u>	<u>80,830</u>

12. DONATIONS RECEIVED

Tax exempt donations	91,161	107,739
Non-tax exempt donations	28,036	58,644
	<u>119,197</u>	<u>166,383</u>

All donations have been collected at the reporting date.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

13. INTEREST INCOME

	2023	2022
	S\$	S\$
Bank interest	124	124
Fixed deposits	38,089	68,211
	<u>38,213</u>	<u>68,335</u>

14. OTHER GOVERNMENT GRANTS

Enabling employment credit	3,891	4,399
Jobs support scheme	-	25,294
Jobs growth incentives	12,310	31,596
Special employment credit	-	8,046
Wages credit scheme	-	19,971
Senior employment credit (SEC)	6,674	-
SG Enable CTC award bonus	36,380	-
CPF transition offset (CTO)	2,319	-
Progressive wage scheme payout (PWCS)	30,507	-
	<u>92,081</u>	<u>89,306</u>

15. SUNDRY INCOME

Other government grant	-	10,000
Other income	33,324	28,423
Nurse escort fee	5,035	5,468
	<u>38,359</u>	<u>43,891</u>

16. TAXATION

The Home is registered as a charity under the Singapore Charities Act and is exempted from income tax under the provisions of the Singapore Income Tax Act 1947. No provision for taxation has been made in the Home's financial statements.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

17. STAFF COSTS

	2023	2022
	S\$	S\$
<u>Charitable expenses</u>		
Salaries and wages	1,536,889	1,480,417
Bonuses	240,194	183,177
CPF contribution	115,156	114,994
Foreign worker levy	430,509	381,178
Recruitment fee	12,814	12,663
Training fee	6,877	9,953
Staff welfare	33,685	36,841
Uniform	6,303	287
Accommodation	15,614	26,357
	<u>2,398,041</u>	<u>2,245,867</u>
<u>Governance cost</u>		
Salaries and wages	463,114	488,052
Bonuses	98,573	93,001
CPF contribution	77,228	80,517
	<u>638,915</u>	<u>661,570</u>
Total staff costs	<u>3,036,956</u>	<u>2,907,437</u>

18. ANNUAL REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2023	2022
	S\$	S\$
Key management personnel compensation:-		
- Salaries and bonuses	363,606	334,813
- CPF contribution	<u>32,699</u>	<u>30,964</u>
	<u>396,305</u>	<u>365,777</u>

Key management personnel (comprises Head of Home, matron and accountant) compensation for the year are included in staff costs (Note 17).

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

18. ANNUAL REMUNERATION OF KEY MANAGEMENT PERSONNEL (Continued)

Number of key management personnel in remuneration bands: -

	<u>Total number of management staff</u>	
	2023	2022
- Above S\$150,000 to S\$200,000	1	1
- Above S\$100,000 to S\$150,000	2	1
- Above S\$50,000 to S\$100,000	-	1
	<hr/>	<hr/>

No compensation was made to any member of the Board of Directors of the Home for both the reporting periods, as their appointments are honorary.

19. COMMITMENT

Commitment contracted for at the end of the reporting period but not recognised in the financial statements is as follows:-

	2023	2022
	S\$	S\$
Equipment/Maintenance	-	60,000
	<hr/>	<hr/>

20. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Home does not have written risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy. To mitigate any financial risk exposures or losses, the Home may adopt the appropriate measures including the use of other financial instruments as and when necessary.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Home. These arise principally from cash balances with banks, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets carried in the statement of financial position at the end of the reporting period.

Credit risk on cash balances with banks is limited as they are placed with reputable financial institutions licenced by the Monetary Authority of Singapore.

Financial assets measured at amortised cost are subject to the expected credit loss model under FRS109. Other than the impaired credit losses, the default risks are considered low and the expected credit losses, if any, are insignificant.

Foreign Currency Risk

The Home is not exposed to foreign currency risk as all of its transactions are denominated in Singapore dollar.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

20. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Home's financial instruments will fluctuate because of changes in market interest rates. The Home's interest rate exposure relates primarily to its investment portfolio in fixed deposits which carry fixed interest rates. At the end of the reporting period, the Home is not significantly exposed to interest rate risk.

Sensitivity analysis is not performed as the impact to the financial statements is insignificant.

Liquidity Risk

The Home monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Home's operations and mitigate the effect of any unexpected fluctuations in cash flows.

The table below summarises the maturity profile of the Home's financial liabilities at the end of the reporting period based on contractual undiscounted payments, including interest payments and excluding the impact of netting agreements:-

	2023			
	Carrying Amount S\$	Total Contractual Undiscounted Cash flow S\$	1 year or less S\$	Above 1 year but not more than 5 years S\$
Other payables	246,484	246,484	246,484	-
Accruals for operating expenses	165,832	165,832	165,832	-
Deposit received	81,170	81,170	81,170	-
Lease liabilities	59,918	62,000	44,000	18,000
	553,404	555,486	537,486	18,000

	2022			
	Carrying Amount S\$	Total Contractual Undiscounted Cash flow S\$	1 year or less S\$	Above 1 year but not more than 5 years S\$
Other payables	231,525	231,525	231,525	-
Accruals for operating expenses	182,756	182,756	182,756	-
Deposit received	80,830	80,830	80,830	-
Government grant payable	183,916	183,916	183,916	-
Lease liabilities	122,593	129,200	69,600	59,600
	801,620	808,227	748,627	59,600

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

21. CAPITAL MANAGEMENT AND POLICIES

Capital management and reserve policy

The Home closely monitoring the amount of its reserve to ensure it is sufficient to support programmes and other charitable activities on an on-going basis. The Management constantly assesses its reserve adequately and explores ways to maximise existing resources.

The provision of reserves fund is to ensure the sustainability of the Home's programmes and continuity of services to its beneficiaries in the situation of contingency may it incurs operating deficit in future.

The management uses total accumulated general fund to finance its activities, however excluded other restricted and designated funds as they are specifically funded. The Home's reserve ratio, which is calculated using accumulated general funds over the total annual operating expenditure at the end of the reporting period is shown below:-

	2023 S\$	2022 S\$
Accumulated general fund	13,572,894	12,136,972
Annual operating expenditure	4,576,691	4,338,755
Reserve Ratio	2.97 : 1	2.80 : 1

The Home's policy is aim to build its reserves to at least one time of its total annual operating expenditure. This conservative policy is necessitated by the need to provide a buffer in the face of anticipated fall in revenue against likely cost increases due to inflationary and/or market pressures. Based on the recent trend, the collection of the resident programme fee is expected to increase within the next few years as the Home is currently operating at virtually full resident capacity and shows improvement in collecting programme fees despite of 98% (2022: 96%) of the Home's residents are aged 40 years and above. Nonetheless, the incoming resources increased during the year due to the increase of government subvention grant as the SG Enable had adjusted and enhanced the subvention level based on the implementation of the Tier – Funding model.

The Board reviews the amount of reserves annually that are required to ensure that they are adequately to fulfill the Home's continuing obligations.

Drawdown on reserves is strictly subject to the approval by the Board of Directors.

The Home reduced its reserve target from three times over total annual operating expenditure than one time as the majority of its funds are restricted to specific programs; unrestricted reserves are only derived from donations given for general use.

Conflict of interest policy

All Board members are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holding that could potentially result in conflict of interests upon appointment or election of the Board members. When a conflict of interest situation arises, the members will need to declare their potential and real conflict of interests.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

22. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the Home's financial assets and financial liabilities as at the end of the reporting period:-

	2023	2022
	S\$	S\$
<u>Financial Assets</u>		
At amortised cost:-		
Programme fees in arrears	5,468	3,861
Other receivables and deposits	19,736	21,587
Government grant receivables	237,582	394,625
Cash and bank balances	14,542,345	13,201,417
Total financial assets	14,805,131	13,621,490
<u>Financial Liabilities</u>		
At amortised cost: -		
Accruals and other payables	412,316	598,197
Deposits received	81,170	80,830
Lease liabilities	59,918	122,593
Total financial liabilities	553,404	801,620

23. FAIR VALUE

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

24. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2023. The Home does not expect that adoptions of these accounting standards or interpretations will have a material impact on the Home's financial statements.

25. AUTHORISATION OF FINANCIAL STATEMENTS

The Board of Directors of the Home approved and authorised these financial statements for issue on 18 September 2023.