

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

**AUDITED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2018**

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

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**BOARD OF DIRECTORS**

<b><u>Name</u></b>	<b><u>Position on Board</u></b>
LAU WAH MING	HONORARY CHAIRMAN
ANGELINA CHUA SIANG KEE	HONORARY VICE-CHAIRMAN
LOH MUN FEI	HONORARY SECRETARY
DR VIVIEN TAN HUI LING	HONORARY ASSISTANT SECRETARY
FOO SAY CHIANG	HONORARY TREASURER
POH LYE HENG	HONORARY ASSISTANT TREASURER
DR GOH BOON CHER	HONORARY DIRECTOR
DR YANG SIK HORNG	HONORARY DIRECTOR
SUNIL GLADSON PETER	HONORARY DIRECTOR

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

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**REGISTERED OFFICE**

6 Bishan Street 13  
Singapore 579798

**AUDITOR**

KRESTON DAVID YEUNG PAC  
128A Tanjong Pagar Road  
Singapore 088535

**BANKERS**

DBS Bank Ltd  
Standard Chartered Bank (Singapore) Limited  
Hong Leong Finance Limited  
Oversea-Chinese Banking Corporation Limited

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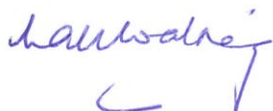
**BISHAN HOME FOR THE INTELLECTUALLY DISABLED**  
**(UEN: T07SS0102D)**

**STATEMENT BY THE BOARD OF DIRECTORS**

In the opinion of the Board of Directors,

- (a) the financial statements of Bishan Home for the Intellectually Disabled (the "Home") set out on page 5 to 27 are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311, Charities Act, Cap. 37 and other relevant regulations and Singapore Financial Reporting Standards, so as to present fairly, in all material respects, of the state of affairs of the Home as at 31 March 2018 and the results, changes in funds and cash flows of the Home for the year ended on that date;
- (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



**FOO SAY CHIANG**  
Honorary Treasurer

Singapore, **13 SEP 2018**



**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 2018, 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, Cap. 311 (the Societies Act), the Charities Act, Cap. 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Home as at 31 March 2018 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 the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this 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 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 FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 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 and 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 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, **13 SEP 2018**

**KRESTON DAVID YEUNG PAC** (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and a member of **Kreston International**

128A Tanjong Pagar Road, Singapore 088535

Tel: 6223 7979 Fax: 6222 7979

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

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2018**

	Note	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property, plant and equipment	3	3,630,256	4,057,232
<b>Current assets</b>			
Programme fees in arrears	4	14,160	16,908
Other receivables		1,302	4,832
Deposits		5,820	5,919
Prepayments		11,053	13,333
Cash and bank balances	6	8,178,617	7,431,636
<b>Total current assets</b>		<b>8,210,952</b>	<b>7,472,628</b>
<b>Total assets</b>		<b>11,841,208</b>	<b>11,529,860</b>
<b>FUNDS AND LIABILITIES</b>			
<b><u>Unrestricted Fund</u></b>			
General fund		237,174	237,174
<b><u>Restricted Funds</u></b>			
General fund		7,237,600	6,396,057
Sinking fund		400,000	400,000
Deferred capital donations/grants	7	3,369,756	3,772,464
Deferred capital grant - CST	8	119,899	133,618
Community silver trust	9	7,981	171,840
<b>Total funds</b>		<b>11,372,410</b>	<b>11,111,153</b>
<b>Current liabilities</b>			
Government grant payables	5	78,374	31,037
Other payables	10	217,563	209,582
Accruals for operating expenses		88,981	92,753
Programme fees received in advance		7,740	9,315
Programme deposits held for residents		62,680	63,040
Admission deposits held for DAC clients		13,460	12,980
<b>Total current liabilities</b>		<b>468,798</b>	<b>418,707</b>
<b>Total funds and liabilities</b>		<b>11,841,208</b>	<b>11,529,860</b>

The notes set out on pages 10 to 27 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 2018

		Unrestricted	Restricted Funds				2018
		Fund					
			General	Residential	Day	Community	Capital
			Fund	Home	Activity	Silver Trust	Donation
Note		S\$	S\$	S\$	S\$	S\$	S\$
							Total
							S\$
<b>Incoming resources</b>							
Income resources from generated funds:							
Voluntary income							
Deferred capital donations/grants	7	-	-	-	-	437,708	437,708
Deferred capital grant - CST	8	-	-	-	44,289	-	44,289
Community silver trust	9	-	-	-	133,289	-	133,289
Donations received	11	-	240,972	237	-	-	241,209
Investment income	12	-	47,149	-	-	-	47,149
VWO Transport Subsidy		-	-	25,106	-	-	25,106
Income resources from charitable activities:							
Programme fees		-	301,809	-	-	-	301,809
Daycare collection		-	-	71,071	-	-	71,071
Government subvention grants		-	2,625,350	225,609	-	-	2,850,959
Transport income		-	-	17,381	-	-	17,381
Sundry income		-	20,741	5,724	-	-	26,465
Other incoming resources		-	56,524	2,115	-	-	58,639
<b>Total income resources</b>		-	3,292,545	347,243	177,578	437,708	4,255,074
<b>Less: Resources expended</b>							
Charitable activities expenses:							
Activities and outings	13	-	9,598	170	-	12,972	22,740
Food and marketing		-	209,160	8,618	-	-	217,778
Staff costs		-	1,447,786	152,463	14,816	-	1,615,065
Nursing supplies and medical services		-	83,550	2,594	-	-	86,144
Transportation		-	6,184	13,955	-	-	20,139
Information technology		-	924	53	4,494	-	5,471
Miscellaneous expenses		-	5,168	1,363	-	-	6,531
<b>Total charitable activities expenses</b>		-	1,762,370	179,216	19,310	12,972	1,973,868
Governance costs	14	-	731,468	69,921	161,393	429,525	1,392,307
Other operating and administration expenses	15	-	40,632	5,018	1,691	-	47,341
<b>Total resources expended</b>		-	(2,534,470)	(254,155)	(182,394)	(442,497)	(3,413,516)
<b>Net income resources/(expended) before other gains and losses</b>		-	758,075	93,088	(4,816)	(4,789)	841,558
<b>Less: Other recognised loss</b>							
Loss on disposal of property, plant and equipment		-	(15)	-	-	-	(15)
<b>Net surplus/(deficit) and total comprehensive income for the year</b>		-	758,060	93,088	(4,816)	(4,789)	841,543

The notes set out on pages 10 to 27 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 2018

	Note	Restricted Funds				2017
		Residential Home	Day Activity Centre	Community Silver Trust	Capital Donation	Total
		S\$	S\$	S\$	S\$	S\$
<b>Incoming resources</b>						
Income resources from generated funds:						
Voluntary income						
Deferred capital donations/grants	7	-	-	-	458,099	458,099
Deferred capital grant - CST	8	-	-	40,796	-	40,796
Community silver trust	9	-	-	130,953	-	130,953
Donations received	11	126,503	237	-	-	126,740
Investment income	12	77,557	-	-	-	77,557
VWO Transport Subsidy		-	23,917	-	-	23,917
Income resources from charitable activities:						
Programme fees		307,440	-	-	-	307,440
Daycare collection		-	67,049	-	-	67,049
Government subvention grants		2,620,173	189,826	-	-	2,809,999
Transport income		-	16,841	-	-	16,841
Sundry income		21,401	8,182	-	-	29,583
Other incoming resources		63,769	2,012	-	-	65,781
<b>Total income resources</b>		<b>3,216,843</b>	<b>308,064</b>	<b>171,749</b>	<b>458,099</b>	<b>4,154,755</b>
<b>Less: Resources expended</b>						
Charitable activities expenses:						
Activities and outings	13	11,164	779	-	8,820	20,763
Food and marketing		219,021	8,219	-	-	227,240
Staff costs		1,326,543	162,486	18,842	-	1,507,871
Nursing supplies and medical services		74,959	2,315	-	-	77,274
Transportation		7,211	14,401	-	-	21,612
Information technology		905	677	-	-	1,582
Miscellaneous expenses		7,440	1,452	-	-	8,892
<b>Total charitable activities expenses</b>		<b>1,647,243</b>	<b>190,329</b>	<b>18,842</b>	<b>8,820</b>	<b>1,865,234</b>
Governance costs	14	668,664	62,128	157,988	448,378	1,337,158
Other operating and administration expenses	15	73,502	3,900	-	637	78,039
<b>Total resources expended</b>		<b>(2,389,409)</b>	<b>(256,357)</b>	<b>(176,830)</b>	<b>(457,835)</b>	<b>(3,280,431)</b>
<b>Net income resources/(expended) before other gains and losses</b>		<b>827,434</b>	<b>51,707</b>	<b>(5,081)</b>	<b>264</b>	<b>874,324</b>
<b>Less: Other recognised loss</b>						
Property, plant and equipment written off		(46)	-	-	-	(46)
<b>Net surplus/(deficit) and total comprehensive income for the year</b>		<b>827,388</b>	<b>51,707</b>	<b>(5,081)</b>	<b>264</b>	<b>874,278</b>

The notes set out on pages 10 to 27 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 2018

	Unrestricted Fund	Restricted Funds									
		General Fund									
		Residential Home	Day Activity Centre	Community Silver Trust	Capital Donation	Sinking Fund	Deferred Capital Donation/ Grants	Deferred Capital Grant - CST	Community Silver Trust	Total	
	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	
Balance as at 01.04.2016	237,174	5,301,815	112,448	72,576	34,940	400,000	4,181,275	150,274	118,318	10,608,820	
Additions for the year	-	-	-	-	-	-	49,288	-	208,615	257,903	
- Government grants	-	-	-	-	-	-	-	24,140	(24,140)	-	
Transfer during the year	-	-	-	-	-	-	(458,099)	(40,796)	(130,953)	(629,848)	
Amortisation/Utilisation for the year	-	-	-	-	-	-	-	-	-	-	
Net surplus/(deficit) and total comprehensive income for the year	-	827,388	51,707	(5,081)	264	-	-	-	-	874,278	
Balance as at 31.03.2017/01.04.2017	237,174	6,129,203	164,155	67,495	35,204	400,000	3,772,464	133,618	171,840	11,111,153	
Additions for the year	-	-	-	-	-	-	15,000	-	-	15,000	
- Tax-exempt cash donation	-	-	-	-	-	-	20,000	-	-	20,000	
- Non tax-exempt cash donation	-	-	-	-	-	-	-	-	-	-	
Transfer during the year	-	-	-	-	-	-	-	30,570	(30,570)	-	
Amortisation/Utilisation for the year	-	-	-	-	-	-	(437,708)	(44,289)	(133,289)	(615,286)	
Net surplus/(deficit) and total comprehensive income for the year	-	758,060	93,088	(4,816)	(4,789)	-	-	-	-	841,543	
Balance as at 31.03.2018	237,174	6,887,263	257,243	62,679	30,415	400,000	3,369,756	119,899	7,981	11,372,410	
							(Note 7)	(Note 8)	(Note 9)		

The notes set out on pages 10 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED**  
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**STATEMENT OF CASH FLOWS**  
**For the year ended 31 March 2018**

	Note	2018 S\$	2017 S\$
<b>Cash flows from operating activities</b>			
Net surplus for the year		841,543	874,278
Adjustments for:-			
Allowance for credit losses	15	10,842	12,578
Allowance for credit losses written back	15	(7,534)	(2,676)
Deferred capital donations/grants	7	(437,708)	(458,099)
Deferred capital grant - CST	8	(44,289)	(40,796)
Community silver trust fund	9	(133,289)	(130,953)
Depreciation of property, plant and equipment		516,795	541,236
Property, plant and equipment written off		15	46
Interest income		(47,149)	(77,557)
<b>Operating surplus before working fund changes</b>		699,226	718,057
Changes in working fund:-			
Decrease in other receivables		5,349	3,386
Increase in other payables		50,091	37,407
<b>Net cash generated from operating activities</b>		754,666	758,850
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(89,834)	(149,630)
Increase in long-term fixed deposits		(1,547,024)	(77,430)
Interest received		47,149	77,557
<b>Net cash used in investing activities</b>		(1,589,709)	(149,503)
<b>Cash flows from financing activities</b>			
Capital donations received	7	35,000	49,288
Community silver trust fund received	9	-	208,615
<b>Net cash generated from financing activities</b>		35,000	257,903
<b>Net (decrease)/increase in cash and cash equivalents</b>		(800,043)	867,250
<b>Cash and cash equivalents at beginning of year</b>		2,128,748	1,261,498
<b>Cash and cash equivalents at end of year</b>	6	1,328,705	2,128,748

The notes set out on pages 10 to 27 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 2018**

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 in Singapore under the Societies Act, Cap 311. The Society is also registered as a charity under the Singapore Charities Act, Cap 37 with effect from 1 August 2007. The Society has been conferred the Institution of a Public Character (IPC) status until 31 March 2019.

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 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 Singapore Financial Reporting Standards (“FRS”) including its Interpretations.

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 2017. 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  
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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**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

As described in Note 2(d), the Home reviews the estimated useful lives of property, plant and equipment 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. 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 amount of property, plant and equipment at the end of the reporting period are disclosed in Note 3 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.

Allowance for credit losses

Allowance for credit losses of the Home is based on an evaluation of the collectibility of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including their current creditworthiness, past collection history of each resident and ongoing dealings with them. If the financial conditions of the counterparties with which the Home contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

Impairment of property, plant and equipment

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

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) 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.

**d) 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
Renovation	10 years
Furniture and fittings	5 – 10 years
Equipment	5 years
Herbs and spice garden	5 years
Computers	3 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Home estimates the asset's or cash-generating unit's recoverable amount. 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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**f) 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. The Home determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Financial Assets (Continued)**

*Subsequent measurement*

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

*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.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e the date that the Home commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

**g) Impairment of Financial Assets**

The Home assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Home first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Home determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Impairment of Financial Assets (Continued)**

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Home considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**h) 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.

**i) Capital Donations/Grants**

Donations/grants received for property, plant and equipment are credited to designated funds. These donations/grants are amortised to profit or loss over the estimated useful life of the related property, plant and equipment on a straight-line basis (Note 2 (d)).

**j) 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.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) 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, 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, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**l) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Home and the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

Revenue is recognised on the following basis:-

- (i) Income from programme is accounted for on an accrual basis.
- (ii) Donations are recognised when monies are received and the right to receive the amount is certain.
- (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 is recognised using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m) Government Subvention**

Government subvention is recoverable from the Ministry of Social and Family Development (MSF) when there is reasonable assurance that the conditions attaching to it will be complied with and the subvention will be received.

Government subvention in the form of recurrent funds is recognised as income in the year in which the related activities are performed.

**n) 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.

**o) 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.

**p) 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**q) 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**3. PROPERTY, PLANT AND EQUIPMENT**

<u>Cost</u>	<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>Spice garden</u> S\$	<u>Total</u> S\$
At 01.04.2016	8,220,293	178,878	82,925	709,266	406,157	1,859,848	34,168	11,491,535
Additions	-	-	26,300	64,096	3,500	45,119	10,615	149,630
Disposal	-	-	-	(15,176)	(2,654)	-	-	(17,830)
At 31.03.2017/01.04.2017	8,220,293	178,878	109,225	758,186	407,003	1,904,967	44,783	11,623,335
Additions	-	-	23,080	59,393	7,361	-	-	89,834
Disposal	-	-	(1,388)	(42,421)	(20,586)	-	-	(64,395)
At 31.03.2018	8,220,293	178,878	130,917	775,158	393,778	1,904,967	44,783	11,648,774
<u>Accumulated depreciation</u>								
At 01.04.2016	5,042,950	52,588	73,283	599,265	324,007	918,106	32,452	7,042,651
Charge for the year	274,010	17,488	11,576	47,389	28,701	159,457	2,615	541,236
Disposal	-	-	-	(15,176)	(2,608)	-	-	(17,784)
At 31.03.2017/01.04.2017	5,316,960	70,076	84,859	631,478	350,100	1,077,563	35,067	7,566,103
Charge for the year	274,010	17,488	11,655	51,637	22,384	136,806	2,815	516,795
Disposal	-	-	(1,388)	(42,421)	(20,571)	-	-	(64,380)
At 31.03.2018	5,590,970	87,564	95,126	640,694	351,913	1,214,369	37,882	8,018,518
<u>Net book value</u>								
At 31.03.2018	2,629,323	91,314	35,791	134,464	41,865	690,598	6,901	3,630,256
At 31.03.2017	2,903,333	108,802	24,366	126,708	56,903	827,404	9,716	4,057,232

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**4. PROGRAMME FEES IN ARREARS**

	2018 S\$	2017 S\$
Programme fees in arrears	67,310	66,750
Less: Allowance account for credit losses	<u>(53,150)</u>	<u>(49,842)</u>
	<u>14,160</u>	<u>16,908</u>
<u>Movements of allowance account for credit losses</u>		
Balance at beginning of year	49,842	39,940
Allowance for credit losses (Note 15)	10,842	12,578
Allowance for credit losses written back (Note 15)	<u>(7,534)</u>	<u>(2,676)</u>
Balance at end of year	<u>53,150</u>	<u>49,842</u>

Programme fees receivables are due within 30 days which are billed on a monthly basis.

The Home does not charge any interest, unless otherwise stated. Programme fees in arrears include an amount of S\$9,040 (2017: S\$10,543) 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 2018 S\$	Allowance for credit losses 2018 S\$	Gross 2017 S\$	Allowance for credit losses 2017 S\$
Not past due	5,955	(835)	7,400	(1,035)
Past due: -				
- 1 to 30 days	2,985	(835)	3,993	(1,035)
- 31 to 60 days	2,115	(835)	2,435	(1,035)
- Over 60 days	56,255	(50,645)	52,922	(46,737)
	<u>61,355</u>	<u>(52,315)</u>	<u>59,350</u>	<u>(48,807)</u>
	<u>67,310</u>	<u>(53,150)</u>	<u>66,750</u>	<u>(49,842)</u>

**5. GOVERNMENT GRANT PAYABLES**

These represent over funding from MSF.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**6. CASH AND BANK BALANCES**

	2018	2017
	S\$	S\$
Cash in hand	3,752	10,399
Cash at bank	1,324,953	2,118,349
Fixed deposits	<u>6,849,912</u>	<u>5,302,888</u>
Cash and bank balances	8,178,617	7,431,636
Less: Fixed deposit with maturity more than 3 months	<u>(6,849,912)</u>	<u>(5,302,888)</u>
Cash and cash equivalents	<u>1,328,705</u>	<u>2,128,748</u>

The fixed deposits are placed with reputable financial institutions for varying periods from 364 days to 18 month (2017: 12 to 18 month) tenures depending on the immediate cash requirement of the Home and earn interest at rates ranging from 1.25% to 1.45% (2017: ranged from 1.25% to 1.7%) per annum.

**7. DEFERRED CAPITAL DONATIONS/GRANTS**

	2018	2017
	S\$	S\$
Balance at beginning of year	3,772,464	4,181,275
Donations/Grants received during the year	<u>35,000</u>	<u>49,288</u>
	3,807,464	4,230,563
Less: Amortisation to profit or loss		
- Leasehold property	274,010	274,010
- Other plant and equipment	163,698	184,089
	<u>(437,708)</u>	<u>(458,099)</u>
Balance at end of year	<u>3,369,756</u>	<u>3,772,464</u>

**8. DEFERRED CAPITAL GRANT – CST**

Balance at beginning of year	133,618	150,274
Add/(Less): Transfer from Community Silver Trust (Note 9)	30,570	24,140
Less: Amortisation to profit or loss	<u>(44,289)</u>	<u>(40,796)</u>
Balance at end of year	<u>119,899</u>	<u>133,618</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**9. COMMUNITY SILVER TRUST**

	2018	2017
	S\$	S\$
Balance at beginning of year	171,840	118,318
Add: Receipts	-	208,615
Less: Transfer to profit or loss	(133,289)	(130,953)
(Less)/Add: Transfer to deferred capital grant - CST (Note 8)	(30,570)	(24,140)
Balance at end of year	7,981	171,840

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 and innovative projects and programmes. With effect from financial year 2014, eligible SSO’s are allowed to utilise the CST matching grants for recurrent operating expenses, subject to a threshold determined based on up to 40% of eligible donations received in the preceding financial year. The amount received will be amortised to profit or loss in the year the related expenditure is incurred.

**10. OTHER PAYABLES**

	2018	2017
	S\$	S\$
Sundry creditors	44,969	51,840
Staff saving	21,700	20,000
Cash held for residents	90,251	82,961
Advance from residents for medical expenses	53,143	47,281
Advance for purchase of materials to be used by volunteers	7,500	7,500
	217,563	209,582

**11. DONATIONS RECEIVED**

Tax exempt donations	219,087	105,687
Non-tax exempt donations	22,122	21,053
	241,209	126,740

All donations have been collected in respect of the Home’s services.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**12. INVESTMENT INCOME**

	2018	2017
	S\$	S\$
Bank interest income	125	127
Fixed deposits income	47,024	77,430
	<u>47,149</u>	<u>77,557</u>

**13. STAFF COSTS**

Salaries and wages	1,055,035	965,076
Bonuses	169,345	163,761
CPF contribution	94,795	84,406
Foreign worker levy	233,414	220,903
Recruitment fee	11,976	9,132
Training fee	16,331	19,575
Staff welfare	33,110	45,018
Uniform	1,059	-
	<u>1,615,065</u>	<u>1,507,871</u>

**14. GOVERNANCE COSTS**

Administrative staff costs:-		
- Salaries and wages	369,635	325,904
- Bonuses	64,512	52,943
- CPF contribution	59,288	51,630
Auditor's remuneration	10,786	10,267
Depreciation of property, plant and equipment	516,795	541,236
General maintenance expenses	90,940	80,076
Insurances	20,776	17,815
Professional fee	98,323	87,807
Property maintenance	4,685	6,085
Registration fee	376	-
Telecommunication	7,580	5,774
Utilities	148,611	157,621
	<u>1,392,307</u>	<u>1,337,158</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**15. OTHER OPERATING AND ADMINISTRATION EXPENSES**

	2018 S\$	2017 S\$
Allowance for credit losses (Note 4)	10,842	12,578
Allowance of credit losses written back (Note 4)	(7,534)	(2,676)
Mattresses and bed linen	129	3,920
Rental of equipment	3,122	2,931
Anniversary celebration	7,101	10,812
Bank charges	735	1,119
Non-capitalised assets	15,545	24,771
Printing and stationery	7,003	6,114
Publicity	5,382	8,025
Refreshment	2,401	2,533
Other operating expenses	2,615	7,912
	<u>47,341</u>	<u>78,039</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, Cap. 134. No provision for taxation has been made in the Home's financial statements.

**17. ANNUAL REMUNERATION OF KEY MANAGEMENT PERSONNEL**

	2018 S\$	2017 S\$
Key management personnel compensation:-		
- Salaries and bonuses	311,910	280,375
- CPF contribution	32,403	29,726
	<u>344,313</u>	<u>310,101</u>

Key management personnel (comprises Head of Home, matron and accountant) compensation for the year are included in staff costs (Note 13) and governance costs (Note 14).

Number of key management personnel in remuneration bands: -

	<u>Total number of management staff</u>	
	2018	2017
- Above S\$50,000 to S\$100,000	4	2
- Above S\$100,000 to S\$150,000	-	1

No compensation is made to any member of the Board of Directors of the Home as their appointments are honorary.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**18. 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. The Home has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Home does not expect to incur material credit losses on its financial assets.

The Home has no significant concentrations of credit risk.

Financial assets that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions licenced by the Monetary Authority of Singapore.

Financial assets that are either past due and/or impaired

Information regarding financial assets that are either past due and/or impaired is disclosed in Note 4 to the financial statements.

**Foreign Currency Risk**

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

**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 rate. As 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 maturity profile of the Home's financial liabilities is within the period of the next 12 months after the end of the reporting period.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**19. CAPITAL MANAGEMENT AND RESERVE POLICY**

The Programme is closely monitored to ensure that there is sufficient reserve to support its programmes and activities on an on-going basis. The Management constantly assesses its reserve adequacy 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 its services to its beneficiaries in the contingency that it incurs an operating deficit in any year.

The following table sets out the Home's reserve position as at the end of the reporting period:-

	2018	2017
	S\$	S\$
Unrestricted general fund (*Reserves)	237,174	237,174
Ratio of *Reserves to total operating expenditure	0.07 : 1	0.07 : 1

The Home's policy is to 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. Revenue is expected to decline within the next few years as the Home is currently operating at virtually full resident capacity and increasing inability/difficulty in collecting programme fees from ageing parents. 89% (2017: 85%) of the Home's residents are aged 40 years and above. The Board annually reviews the amount of reserves that are required to ensure that they are adequate to fulfill the Home's continuing obligations.

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

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

**20. 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:-

	2018	2017
	S\$	S\$
<b><u>Financial Assets</u></b>		
Loans and receivables: -		
Programme fees in arrears	14,160	16,908
Other receivables and deposits	7,122	10,751
Cash and bank balances	8,178,617	7,431,636
Total financial assets	8,199,899	7,459,295

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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**20. CATEGORIES OF FINANCIAL INSTRUMENTS (Continued)**

	2018	2017
	S\$	S\$
<b><u>Financial Liabilities</u></b>		
At amortised cost: -		
Accruals and other payables	306,544	302,335
Government grant payables	78,374	31,037
Deposits received	76,140	76,020
Total financial liabilities	461,058	409,392

**21. 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.

**22. 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 2018. Except for FRS 109, the Home expect that the adoption of the other standards will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 are described below.

**FRS 109: Financial Instruments**

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Home to make changes to its current systems and processes.

FRS109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Home is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

**23. AUTHORISATION OF FINANCIAL STATEMENTS**

The Board of Directors of the Home approved and authorised these financial statements for issue on 13 September 2018.