APEX HARMONY LODGE
(Registered in Singapore
under the Societies Act)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021

CONTENTS

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT BY MANAGEMENT COMMITTEE

On behalf of the Management Committee, we do hereby state that in our opinion, the financial statements of Apex Harmony Lodge (the "Home") as set out on pages 6 to 32 are properly drawn up in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects the financial position of the Home as at 31 December 2021, and of the financial performance, changes in funds and cash flows of the Home for the financial year ended on that date.

On behalf of the Management Committee

Gan Boon Jin
Chairman

Soo Hon Weng
Treasurer

3 March 2022

600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

T: +65 6336 2828
www.bakertilly.sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Apex Harmony Lodge (the "Home") as set out on pages 6 to 32, which comprise the balance sheet as at 31 December 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial 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 Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Home as at 31 December 2021 and of the financial performance, changes in funds and cash flows of the Home for the financial 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.

Emphasis of Matter

We draw attention to Note 3 to the financial statements. Management Committee has estimated the useful life of the Home's leasehold building to be 30 years. This is not in compliance with FRS 16 *Property, Plant and Equipment* as the Home only has a 3 years lease agreement for the land on which the leasehold building is erected. Information about Management Committee's assumptions and estimation of the useful life of the Home's leasehold building are disclosed in Note 3 and we concur with Management Committee's basis as disclosed therein. The carrying amount of the leasehold building at the balance sheet date, together with the effect on the financial statements had the Home comply with FRS 16 are disclosed in Note 3. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX HARMONY LODGE (cont'd)
(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Other Information

The Management Committee is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by Management Committee as set out on page 1, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Regulations and FRSs, and for such internal control as the Management Committee 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 Committee 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 Committee 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX HARMONY LODGE (cont'd)
(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements (cont'd)

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

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 Committee.

- Conclude on the appropriateness of Management Committee'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX HARMONY LODGE (cont'd)
(Registered in Singapore under the Societies Act)

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:

(i) the Home has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(ii) the Home has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

3 March 2022

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2021

	Note	Unrestricted Funds Residents $	Unrestricted Funds Daycare $	Unrestricted Funds Subtotal $	Restricted Funds $	Grand Total $
2021						
Income						
Voluntary income						
Tax deductible donations	19	353,040	–	353,040	–	**353,040**
Non tax deductible donations		442,648	–	442,648	–	**442,648**
		795,688	–	795,688	–	**795,688**
Charitable income						
Resident fees		1,346,913	–	1,346,913	–	**1,346,913**
Daycare and transportation fees		–	214,177	214,177	–	**214,177**
		1,346,913	214,177	1,561,090	–	**1,561,090**
Grants and subsidies						
Land rental subsidy		563,174	23,466	586,640	–	**586,640**
Recurrent funding		4,344,131	283,776	4,627,907	–	**4,627,907**
Capital grant subsidy	8	291,007	12,125	303,132	–	**303,132**
Medifund subsidy	14	1,691,762	–	1,691,762	–	**1,691,762**
Community Silver Trust Fund	13	–	–	–	795,688	**795,688**
Tote Board		–	233,150	233,150	–	**233,150**
Other subsidies	4	869,782	–	869,782	191,117	**1,060,899**
		7,759,856	552,517	8,312,373	986,805	**9,299,178**
Other income						
Sundry income		60,766	–	60,766	–	**60,766**
Bank and fixed deposit interest		57,669	–	57,669	124	**57,793**
		118,435	–	118,435	124	**118,559**
Total income		10,020,892	766,694	10,787,586	986,929	**11,774,515**

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2021

	Note	Unrestricted Funds Residents $	Daycare $	Subtotal $	Restricted Funds $	Grand Total $
2021						
Expenses						
Cost of charitable activities						
Amortisation of Asset Capitalisation Reserve	18	(429,526)	–	(429,526)	429,526	–
Allowance for impairment of receivables	6	23,773	–	23,773	–	**23,773**
Depreciation	5	1,758,757	73,282	1,832,039	–	**1,832,039**
Loss on disposal of property, plant and equipment		682	–	682	–	**682**
Food expenses		572,954	70,814	643,768	62,027	**705,795**
Goods and Services Taxes		160,866	–	160,866	–	**160,866**
Housekeeping		317,015	39,182	356,197	–	**356,197**
Laundry		119,703	–	119,703	–	**119,703**
Medical		365,556	–	365,556	–	**365,556**
Minor assets expenses		30,777	–	30,777	–	**30,777**
Professional fees		245,771	–	245,771	2,715	**248,486**
Staff costs	20	4,027,983	254,960	4,282,943	828,310	**5,111,253**
Staff allowances	20	99,561	–	99,561	900	**100,461**
Staff training		14,059	–	14,059	2,408	**16,467**
Staff welfare		40,962	–	40,962	–	**40,962**
Transport		11,903	–	11,903	–	**11,903**
Uniforms		7,253	–	7,253	–	**7,253**
Utilities		174,292	19,366	193,658	–	**193,658**
Vehicles		6,275	776	7,051	–	**7,051**
		7,548,616	458,380	8,006,996	1,325,886	**9,332,882**
Administrative and other operating expenses						
Audit fees		14,151	1,749	15,900	–	**15,900**
Bank charges		1,982	–	1,982	64	**2,046**
General expenses		142,278	2,900	145,178	43,219	**188,397**
Insurance		48,143	2,006	50,149	–	**50,149**
Interest expense - Leases		53,664	–	53,664	–	**53,664**
Landscape		100,604	4,192	104,796	–	**104,796**
Printing and stationeries		17,136	2,118	19,254	–	**19,254**
Repairs and maintenance		212,036	8,835	220,871	–	**220,871**
Telephone		14,032	–	14,032	–	**14,032**
		604,026	21,800	625,826	43,283	**669,109**
Total expenses		8,152,642	480,180	8,632,822	1,369,169	**10,001,991**
Surplus/(deficit) and total comprehensive income/(loss) for the financial year		**1,868,250**	**286,514**	**2,154,764**	**(382,240)**	**1,772,524**

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2020

	Note	Unrestricted Funds Residents $	Unrestricted Funds Daycare $	Unrestricted Funds Subtotal $	Restricted Funds $	Grand Total $
2020						
Income						
Voluntary income						
Tax deductible donations	19	125,628	–	125,628	–	125,628
Non tax deductible donations		154,195	–	154,195	100,000	254,195
		279,823	–	279,823	100,000	379,823
Charitable income						
Resident fees		1,527,120	–	1,527,120	–	1,527,120
Daycare and transportation fees		–	142,041	142,041	–	142,041
		1,527,120	142,041	1,669,161	–	1,669,161
Grants and subsidies						
Land rental subsidy		519,469	22,045	541,514	–	541,514
Recurrent funding		4,105,578	146,577	4,252,155	–	4,252,155
Capital grant subsidy	8	290,791	12,341	303,132	–	303,132
Medifund subsidy	14	1,545,044	–	1,545,044	–	1,545,044
Replacement ratio funding		19	–	19	–	19
Community Silver Trust Fund	13	–	–	–	379,823	379,823
Tote Board		–	334,571	334,571	–	334,571
Other subsidies	4	1,680,371	–	1,680,371	2,428,677	4,109,048
		8,141,272	515,534	8,656,806	2,808,500	11,465,306
Other income						
Sundry income		75,527	–	75,527	–	75,527
Bank and fixed deposit interest		137,724	–	137,724	124	137,848
		213,251	–	213,251	124	213,375
Total income		10,161,466	657,575	10,819,041	2,908,624	13,727,665

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2020

	Note	Unrestricted Funds Residents $	Unrestricted Funds Daycare $	Unrestricted Funds Subtotal $	Restricted Funds $	Grand Total $
2020						
Expenses						
Cost of charitable activities						
Amortisation of Asset Capitalisation Reserve	18	(392,032)	–	(392,032)	392,032	–
Allowance for impairment of receivables	6	–	–	–	–	–
Depreciation	5	1,795,293	76,188	1,871,481	–	1,871,481
Loss on disposal of property, plant and equipment		3,160	134	3,294	–	3,294
Food expenses		608,903	75,258	684,161	–	684,161
Goods and Services Taxes		177,683	–	177,683	–	177,683
Housekeeping		283,382	35,025	318,407	–	318,407
Laundry		125,692	–	125,692	–	125,692
Medical		(6,029)	–	(6,029)	433,614	427,585
Minor assets expenses		56,790	–	56,790	16,575	73,365
Professional fees		183,527	–	183,527	26,265	209,792
Staff costs	20	3,959,659	259,601	4,219,260	611,419	4,830,679
Staff allowances	20	173,123	–	173,123	22,647	195,770
Staff training		21,525	–	21,525	–	21,525
Staff welfare		149,966	–	149,966	–	149,966
Transport		8,315	–	8,315	–	8,315
Uniforms		10,261	–	10,261	–	10,261
Utilities		169,700	18,856	188,556	–	188,556
Vehicles		5,128	634	5,762	–	5,762
		7,334,046	465,696	7,799,742	1,502,552	9,302,294
Administrative and other operating expenses						
Audit fees		18,862	2,331	21,193	–	21,193
Bank charges		1,791	–	1,791	64	1,855
General expenses		146,869	3,382	150,251	36,000	186,251
Insurance		43,540	1,848	45,388	–	45,388
Interest expense - Leases		40,038	–	40,038	–	40,038
Landscape		9,555	405	9,960	–	9,960
Printing and stationeries		17,221	2,129	19,350	–	19,350
Repairs and maintenance		201,631	8,557	210,188	–	210,188
Telephone		11,599	–	11,599	–	11,599
		491,106	18,652	509,758	36,064	545,822
Total expenses		7,825,152	484,348	8,309,500	1,538,616	9,848,116
Surplus and total comprehensive income for the financial year		2,336,314	173,227	2,509,541	1,370,008	3,879,549

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

BALANCE SHEET
At 31 December 2021

	Note	**2021** **$**	2020 $
Non-current asset			
Property, plant and equipment	5	**8,757,797**	10,523,520
Current assets			
Inventories		**115,950**	83,947
Receivables	6	**2,690,473**	1,924,610
Cash and cash equivalents	7	**17,184,131**	16,168,717
		19,990,554	18,177,274
Total assets		**28,748,351**	28,700,794
Non-current liabilities			
Deferred grant	8	**1,818,798**	2,121,930
Lease liability	9	**266,753**	780,216
		2,085,551	2,902,146
Current liabilities			
Deferred grant	8	**303,132**	303,132
Lease liability	9	**513,463**	487,851
Payables	10	**1,389,212**	1,423,684
		2,205,807	2,214,667
Total liabilities		**4,291,358**	5,116,813
Net assets		**24,456,993**	23,583,981
Funds			
Unrestricted Funds			
General Fund	11	**8,719,184**	7,622,458
Building Fund	12	**11,128,094**	10,070,056
		19,847,278	17,692,514
Restricted Funds			
Community Silver Trust Fund	13	**1,217,894**	882,480
Medifund	14	**647,470**	1,546,922
Programme Fund	15	**100,000**	479,305
President's Challenge 2019 Fund	16	**165,000**	165,000
Silver is Gold Fund	17	**25,000**	33,333
Asset Capitalisation Reserve	18	**2,454,351**	2,784,427
		4,609,715	5,891,467
Total funds		**24,456,993**	23,583,981

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

APEX HARMONY LODGE
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STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2021

	Unrestricted		Restricted						
	General Fund	**Building Fund**	**Community Silver Trust Fund**	**Medifund**	**Programme Fund**	**President's Challenge 2019 Fund**	**Silver is Gold Fund**	**Asset Capitalisation Reserve**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
At 1 January 2020	6,170,956	9,012,017	1,325,540	729,056	702,942	–	–	946,115	18,886,626
Surplus/(deficit) and total comprehensive income/(loss) for the financial year	2,509,541	–	(443,060)	60	(223,637)	165,000	33,333	1,838,312	3,879,549
Transfer from General Fund to Building Fund	(1,058,039)	1,058,039	–	–	–	–	–	–	–
Grant received during the financial year	–	–	–	2,362,850	–	–	–	–	2,362,850
Utilisation of Medifund recorded as income in General Fund	–	–	–	(1,545,044)	–	–	–	–	(1,545,044)
At 31 December 2020	7,622,458	10,070,056	882,480	1,546,922	479,305	165,000	33,333	2,784,427	23,583,981
Surplus/(deficit) and total comprehensive income/(loss) for the financial year	2,154,764	–	335,414	60	(379,305)	–	(8,333)	(330,076)	1,772,524
Transfer from General Fund to Building Fund	(1,058,038)	1,058,038	–	–	–	–	–	–	–
Grant received during the financial year	–	–	–	792,250	–	–	–	–	792,250
Utilisation of Medifund recorded as income in General Fund	–	–	–	(1,691,762)	–	–	–	–	(1,691,762)
At 31 December 2021	**8,719,184**	**11,128,094**	**1,217,894**	**647,470**	**100,000**	**165,000**	**25,000**	**2,454,351**	**24,456,993**

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

APEX HARMONY LODGE
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STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

	2021 $	2020 $
Cash flows from operating activities		
Surplus for the financial year	**1,772,524**	3,879,549
Adjustments for:		
Depreciation of property, plant and equipment	**1,832,039**	1,871,481
Loss on property, plant and equipment written off	**682**	3,294
Interest income	**(57,793)**	(137,848)
Amortisation of capital grant	**(303,132)**	(303,132)
Interest expense - Leases	**53,664**	40,038
Rent concession	**(135,379)**	(180,505)
Operating cash flows before movements in working capital	**3,162,605**	5,172,877
Inventories	**(32,003)**	(58,061)
Receivables	**(765,863)**	(51,004)
Payables	**(34,472)**	108,433
Net (payment)/receipt from Medifund	**(899,512)**	817,806
Net cash generated from operating activities	**1,430,755**	5,990,051
Cash flows from investing activities		
Purchases of property, plant and equipment (Note A)	**(67,962)**	(570,704)
Proceeds from disposal of PPE	**964**	15,743
Interest income	**57,793**	137,848
Fixed deposit pledged	–	(10,000)
Net cash used in investing activities	**(9,205)**	(427,113)
Cash flows from financing activities		
Repayment of lease liability	**(352,472)**	(320,971)
Interest expense - Leases	**(53,664)**	(40,038)
Net cash used in financing activities	**(406,136)**	(361,009)
Net increase in cash and cash equivalents	**1,015,414**	5,201,929
Cash and cash equivalents at beginning of financial year	**16,158,717**	10,956,788
Cash and cash equivalents at end of financial year (Note 7)	**17,174,131**	16,158,717

Note A		
Property, plant and equipment purchased during the financial year (Note 5)	**67,962**	2,073,493
Add: Amount outstanding at beginning of financial year	**159,500**	159,500
Less: Amount outstanding at end of financial year	**(159,500)**	(159,500)
Less: Acquired under lease arrangement	–	(1,502,789)
	67,962	570,704

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

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

1. General information

Apex Harmony Lodge (the "Home") is registered in the Republic of Singapore under the Societies Act, Chapter 311 (the "Societies Act") and the Charities Act, Chapter 37 and other relevant regulations. Its principal place of activities is at 10 Pasir Ris Walk, Singapore 518240.

The objectives of the Home are:

(a) to provide residential, day care and respite facilities for patients suffering from dementia;

(b) to provide medical, nursing, social, psychological, occupational and recreational activities for patients; and

(c) to provide psycho-social and educational support to family members and care-givers of the patients.

2. Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar ("$"), which is also the functional currency of the Home, have been prepared in accordance with the Societies Act, the Charities Act, Chapter 37 and other regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") except for the departure from FRS 16 *Property, Plant and Equipment* which is permitted by FRS 1 *Presentation of Financial Statements* as disclosed in Note 3 to the financial statements. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Management Committee's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgement

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There are no areas requiring significant accounting judgement and key sources of estimation uncertainty except as disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2. Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Home has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. In addition, the Home has also early adopted the Amendments to FRS 116 *COVID-19 - Related Rent Concessions beyond 30 June 2021*. The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial statements except as follows:

The Home has early adopted the Amendment to FRS 116: *COVID-19 - Related Rent Concessions beyond 30 June 2021* which provides practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
(c) there is no substantive change to other terms and conditions of the lease.

The Home has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of $135,379 (2020: $180,505) was recognised as negative variable lease payments (ie. included as land rental subsidy) in the statement of financial activities during the year. The amendment has no impact to the General Fund at 1 January 2021.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Home.

b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, using the straight-line method as follows:

	Years
Leasehold building	30 (Note 3)
Motor vehicles	5
Other property, plant and equipment	5
Building renovation	10

The right-of-use asset included in leasehold property is depreciated over the lease term of 3 years. The estimated useful lives and depreciation method are reviewed each financial year, with the effect of any changes in estimates accounted for on a prospective basis.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to statement of financial activities.

2. Significant accounting policies (cont'd)

b) Property, plant and equipment (cont'd)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in surplus or deficit when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Property, plant and equipment in the course of completion are carried at cost, less any recognised impairment loss until completion. Depreciation on the same basis as other property, plant and equipment commences when the assets are ready for their intended use.

c) Income recognition

Service income

The Home provides residential and day care services for patients suffering from dementia. Such services are recognised as a performance obligation satisfied over time. Service income (comprising resident fees, daycare fees and daycare transportation fees) is recognised when services are rendered to the residents which is determined based on the period of residences at the Home and attendances at the day care.

Donations

Donations are recognised when received. If donations are received for a specific fund-raising or charity event where the entitlement to the donations are dependent upon the events and the event has not occurred, the donation received will be deferred as a liability until the event has been conducted.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

d) Government grants and subsidies

Government grant or subsidy is recognised at its fair value where there is reasonable assurance that the grant or subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised in the statement of financial activities over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as asset capitalisation reserve on the balance sheet and is amortised to the statement of financial activities over the expected useful lives of the relevant assets by equal annual instalments.

e) Income taxes

The Home is a registered charity under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act.

f) Cash and cash equivalents in the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash, bank balances and fixed deposits which are subject to an insignificant risk of change in value.

2. Significant accounting policies (cont'd)

g) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Home.

h) Employee benefits

Defined contribution plans

The Home makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution plan. The Home has no further payment obligations once the contributions have been paid. These contributions are recognised as an expense in the statement of financial activities in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of financial activities.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in the statement of financial activities. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

j) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Home commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Home has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Home classifies its financial assets at amortised cost. The classification is based on the Home's model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Home reclassifies financial assets when and only when its model for managing those assets changes.

2. Significant accounting policies (cont'd)

j) Financial assets (cont'd)

Subsequent measurement

The Home measures its financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Home's financial assets at amortised cost comprised receivables (excluding prepayments), cash and cash equivalents.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in statement of financial activities when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Home recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. 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-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

If the Home has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Home measures the loss allowance at an amount equal to 12-month ECL at the current balance sheet date.

The Home recognises an impairment gain or loss in the statement of financial activities for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Home has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

k) Financial liabilities

Financial liabilities which comprise payables (excluding provision for unutilised leave) and lease liability are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

2. Significant accounting policies (cont'd)

l) Provisions

Provisions are recognised when the Home has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

m) 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.

The Home applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Home recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Home uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease 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 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.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Home remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Significant accounting policies (cont'd)

m) Leases (cont'd)

Right-of-use assets

The Home recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. 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 depreciation starts at the commencement date of the lease.

The right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

The Home applies FRS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(i).

n) Allocation of income and expenses between residents and day care

Income and expenses, other than those directly attributable to residents and day care, are allocated between residents and day care either on the basis of average number of residents or floor area.

o) Inventories

Inventories, which comprise food, toiletries, medical supplies and clothing are valued at the lower of cost and net realisable value, with cost being determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of operations.

3. Critical accounting judgements in applying entity's accounting policies

Management Committee is not aware of any judgement made that have a significant effect on the amounts recognised in the financial statements and key assumptions concerning the future made at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year except as discussed below.

Depreciation of leasehold building

The Home's leasehold building was custom-built for the operating activities of the Home. The building was built with grants from Ministry of Health ("MOH") and although the land lease tenure on which the Home is erected is 3-years renewable basis, the Management Committee believes that the Singapore Land Authority, the landlord, will continue to renew and extend the lease up to the building's useful life of 30 years. As mentioned in Note 8, the Home has also signed an undertaking with MOH to operate as a nursing home for 30 years. Based on the Management Committee's estimate, depreciation is provided on a straight line basis to write off the cost of the leasehold building over its estimated useful life of 30 years.

3. Critical accounting judgements in applying entity's accounting policies (cont'd)

Depreciation of leasehold building (cont'd)

As the Home has no legal right to extend the lease period to 30 years, depreciating the leasehold building over 30 years is not in accordance with FRS 16 *Property, Plant and Equipment*, which requires consideration of the legal rights on the use of the asset in determining its useful life. As the Management Committee is of the view that depreciating the leasehold building over the land's legal lease period of 3 years would not reflect a fair presentation of the Home's financial position and financial performance, the departure from FRS 16 is permitted by FRS 1 *Presentation of Financial Statements*.

As at 31 December 2021, the carrying amount of the leasehold building is $2,766,140 (2020: $3,157,694). The lease agreement for the use of the leasehold land was renewed in 2020 and will expire in 2023.

Had the Home depreciated the leasehold building over its 3-year lease period which commenced in year 1999, the carrying amount of the leasehold building at 31 December 2021 would be $Nil (2020: $Nil) and the depreciation expense on the leasehold building for the financial year would be $Nil (2020: $Nil).

4. Other subsidies

	Total funds	
	2021	2020
	$	$
Foreign Worker Levy Waiver	–	203,383
Jobs Support Scheme	**113,283**	582,306
Funding support for Nursing Home Staff	**56,058**	237,275
Cyclical maintenance	**99,450**	1,947,794
President Challenge 2019	–	165,000
Healthcare Productivity Fund	**121,101**	328,281
Senior Management Associate Scheme	**111,385**	99,523
Therapy Through Work	**233,150**	334,571
Others	**326,472**	210,915
	1,060,899	4,109,048

5. Property, plant and equipment

	Leasehold property $	Motor vehicles $	Other property, plant and equipment $	Building renovation $	Total $
2021					
Cost					
At 1 January 2021	13,249,396	67,774	2,043,329	6,661,061	22,021,560
Additions	–	–	67,962	–	67,962
Disposal	–	–	(18,763)	–	(18,763)
At 31 December 2021	**13,249,396**	**67,774**	**2,092,528**	**6,661,061**	**22,070,759**
Accumulated depreciation					
At 1 January 2021	8,839,377	67,774	1,261,710	1,329,179	11,498,040
Depreciation for the financial year	892,484	–	273,070	666,485	1,832,039
Disposal	–	–	(17,117)	–	(17,117)
At 31 December 2021	**9,731,861**	**67,774**	**1,517,663**	**1,995,664**	**13,312,962**
Net carrying value					
At 31 December 2021	**3,517,535**	–	**574,865**	**4,665,397**	**8,757,797**
2020					
Cost					
At 1 January 2020	12,526,823	67,774	1,690,685	6,626,941	20,912,223
Additions	1,502,789	–	536,584	34,120	2,073,493
Write-off	–	–	(183,940)	–	(183,940)
Disposal	(780,216)	–	–	–	(780,216)
At 31 December 2020	13,249,396	67,774	2,043,329	6,661,061	22,021,560
Accumulated depreciation					
At 1 January 2020	8,717,504	54,219	1,137,261	662,694	10,571,678
Depreciation for the financial year	902,089	13,555	289,352	666,485	1,871,481
Write-off	–	–	(164,903)	–	(164,903)
Disposal	(780,216)	–	–	–	(780,216)
At 31 December 2020	8,839,377	67,774	1,261,710	1,329,179	11,498,040
Net carrying value					
At 31 December 2020	4,410,019	–	781,619	5,331,882	10,523,520

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

(a) Other property, plant and equipment comprise computer software, furniture and fittings, beds and beddings, housekeeping and medical equipment, occupational therapy, laundry equipment, kitchen utensils and office equipment.

(b) Included in property, plant and equipment is right-of-use asset of $751,395 (2020: $1,252,325) (Note 21).

6. Receivables

	2021 $	2020 $
Third parties	**172,320**	184,277
Less: Allowance for expected credit losses		
Balance at beginning of financial year	**(77,980)**	(77,980)
Allowance for impairment - lifetime ECL (credit-impaired)	**(23,773)**	–
Receivables written off	**8,873**	–
Balance at end of financial year	**(92,880)**	(77,980)
Net	**79,440**	106,297
Grant receivables		
- Community Silver Trust (Note 13)	**1,175,511**	534,891
- Others	**1,258,742**	1,094,954
	2,434,253	1,629,845
Sundry deposits	**150,293**	140,718
Prepayment	**13,167**	14,006
Interest receivables	**13,320**	33,744
	2,690,473	1,924,610

7. Cash and cash equivalents

	2021 $	2020 $
Cash and bank balances	**2,889,870**	3,449,878
Fixed deposits	**14,294,261**	12,718,839
Cash and cash equivalents as presented on balance sheet	**17,184,131**	16,168,717
Less: Fixed deposit pledged	**(10,000)**	(10,000)
Cash and cash equivalents for presentation on statement of cash flows	**17,174,131**	16,158,717

8. Deferred grant

	2021 $	2020 $
Capital grant:		
Balance at beginning of financial year	**9,218,213**	9,218,213
Less: Accumulated amortisation recognised in statement of financial activities		
Balance at beginning of financial year	**6,793,151**	6,490,019
Amortisation for the financial year	**303,132**	303,132
Balance at end of financial year	**7,096,283**	6,793,151
Net carrying amount	**2,121,930**	2,425,062
These represent:		
Non-current	**1,818,798**	2,121,930
Current	**303,132**	303,132
	2,121,930	2,425,062

The capital grant is disbursed on the condition that the Home operates as a nursing home for the duration of 30 years from 1998 as stipulated in the letter of undertaking to the Ministry of Health.

9. Lease liability

	2021 $	2020 $
Non-current	**266,753**	780,216
Current	**513,463**	487,851
Total	**780,216**	1,268,067

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Lease liability 2021 $	 2020 $
Balance as at 1 January	**1,268,067**	266,754
Changes from financing cash flows:		
- Repayments	**(352,472)**	(320,971)
- Interest paid	**(53,664)**	(40,038)
Non-cash changes:		
- Interest expense - Leases	**53,664**	40,038
- New Leases	–	1,502,789
- Rent concession	**(135,379)**	(180,505)
Balance at 31 December	**780,216**	1,268,067

10. Payables

	2021 $	2020 $
Resident's fee deposits	**365,660**	355,772
Contract liability	**32,638**	27,092
Accrued operating expenses	**761,023**	850,141
Sundry payables	**229,891**	190,679
	1,389,212	1,423,684

11. General Fund

	2021 $	2020 $
Balance at beginning of financial year	**7,622,458**	6,170,956
Surplus during the financial year	**2,154,764**	2,509,541
Transfer to Building Fund (Note 12)	**(1,058,038)**	(1,058,039)
Balance at end of financial year	**8,719,184**	7,622,458

12. Building Fund

	2021 $	2020 $
Balance at beginning of financial year	**10,070,056**	9,012,017
Transfer from General Fund (Note 11)	**1,058,038**	1,058,039
Balance at end of financial year	**11,128,094**	10,070,056

The Building Fund is for the purpose of building replacement.

13. Community Silver Trust Fund

On 20 August 2014, the Home signed a Funding Agreement with the Trustees of the Community Silver Trust ("CST"). The CST is administered by Agency for Integrated Care ("AIC") but managed by the Ministry of Health ("MOH") on behalf of the Trustees. CST provides a matching grant one dollar for every donation dollar raised by eligible organisations with proper governance and whose programmes are aligned with the Government's long-term vision for the Intermediate and Long Term Care ("ILTC").

The objective of the CST is to encourage donations and provide additional resources for the service providers in the ILTC sector to enhance their capabilities to provide value-added services to achieve higher quality care and enhance the affordability of step-down care for service users and patients.

13. Community Silver Trust Fund (cont'd)

The duration of the Funding Agreement signed was for a period of 5 years, with effect from 1 April 2014 to 31 March 2019. The Funding Agreement was renewed with effect from 1 April 2019 to 31 March 2024.

The CST Fund movements during the financial year are as follows:

	2021	2020
	$	$
Balance at beginning of financial year	**882,480**	1,325,540
Income	**795,688**	379,823
Expenditure	**(460,274)**	(822,883)
Surplus/(deficit) during the financial year	**335,414**	(443,060)
Balance at end of financial year	**1,217,894**	882,480

Grant income is recognised when attaching conditions are complied with and recoverability of the grant receipts is reasonably assured. As at 31 December 2021, CST grants receivable of $1,175,511 (2020: $534,891) represents receivable due from MOH. Upon receipt of the grants, the Home is required to fully utilise the grant receipts within 5 years. In the event that the CST Fund are not fully utilised by end of 5 years subsequent to receiving the grants, the Home may be required to return any unutilised portion of the grants. There are no grants received that have expired by 31 December 2021.

14. Medifund

	2021	2020
	$	$
Balance at beginning of financial year	**1,546,922**	729,056
Net income during the financial year	**60**	60
Grant receipts during the financial year	**792,250**	2,362,850
Utilisation of grant receipts recorded as income in General Fund during the financial year	**(1,691,762)**	(1,545,044)
Balance at end of financial year	**647,470**	1,546,922

The Medifund is a grant from the Medical Endowment Fund ("MEF") set up by the government under the Medical Elderly Care Endowment Act 2000 to assist in the payment of medical care for needy Singaporeans. For the purposes of any written law in Singapore, all monies in the Medifund account are deemed not to form part of the property of the Home if it goes into voluntary or compulsory liquidation. In such event, the monies shall be vested in and paid into the MEF.

Grant income that have been approved for utilisation in the financial year are recognised as income in General Fund during the financial year. Grant receipts are recorded as fund movements and are retained in the Medifund.

Net income represents interest income, bank charges and other incidental items during the financial year.

15. Programme Fund

	2021 $	2020 $
Balance at beginning of financial year	**479,305**	702,942
Income	–	100,000
Expenditure	**(379,305)**	(323,637)
Deficit during the financial year	**(379,305)**	(223,637)
Balance at end of financial year	**100,000**	479,305

The funding are from Lien Foundation, Singapore, for the following programmes:

(i) To implement a standard nursing home system, **IngoT2,** which stands for "IT stretching the capability, potential and imagination of NGO".

(ii) To implement **Project Gym Tonic**, an initiative to make exercise a key and intentional intervention in improving the physical functions of the elderly. This is a radical movement to effect systemic change in the care of the elderly spurring the adoption of Exercise-as-Medicine ("EAM").

(iii) To support a transformational exercise to **remodel** Apex Harmony Lodge and to strengthen its psychosocial capabilities and expertise, coupled with environmental enhancements to the existing facilities, and strengthening its linkages with the wider community. The strategic intent of this project is to influence and uplift care standards in Singapore's nursing homes: by demonstrating how an existing residential care facility can be remodelled to deliver engaging contents and enlivening living environments.

(iv) To implement **Namaste Care** for largely bed bound residents with advanced dementia. Key objectives of this programme are to provide comfort and reduce pain using non-pharmaceutical approach and creating a sensory-stimulating environment for residents with advanced dementia.

16. President's Challenge 2019 Fund

	2021 $	2020 $
Balance at beginning of financial year	**165,000**	–
Income	–	165,000
Surplus during the financial year	–	165,000
Balance at end of financial year	**165,000**	165,000

The President's Challenge 2019 Fund is set up to finance Person-Centred, Integrated Psychosocial Dementia Care for People with Dementia programme, inclusive of manpower for psycho-social care.

17. Silver is Gold Fund

	2021 $	2020 $
Balance at beginning of financial year	**33,333**	–
Income	**91,667**	33,333
Expenditure	**(100,000)**	–
(Deficit)/surplus during the financial year	**(8,333)**	33,333
Balance at end of financial year	**25,000**	33,333

Funding received from The Majurity Trust to set up Club memorABLE to provide holistic engagement for younger clients with dementia, clients with early-stage dementia, and their caregivers.

18. Asset Capitalisation Reserve

	2021 $	2020 $
Balance at beginning of financial year	**2,784,427**	946,115
Income	**99,450**	2,230,344
Amortisation of Asset Capitalisation Reserve	**(429,526)**	(392,032)
Surplus during the financial year	**(330,076)**	1,838,312
Balance at end of financial year	**2,454,351**	2,784,427

Asset Capitalisation Reserve comprises transfers made from CST (Note 13) and upon receipt of grants which were utilised for property, plant and equipment. Transfers were made to the Asset Capitalisation Reserve when amounts were utilised for purchases of property, plant and equipment using funds from CST. The Asset Capitalisation Reserve is amortised over the useful lives of the related assets and transferred to the statement of financial activities to match the depreciation of the assets purchased with the related donations and grants.

19. Tax deductible donations

During the financial year, the Home issued tax deductible receipts for donations collected of $353,040 (2020: $125,628).

20. Staff costs

	Total funds	
	2021	2020
	$	$
Key management personnel		
Salaries and related costs	**634,305**	589,986
Contributions to defined contribution plan	**50,741**	49,582
	685,046	639,568
Other staff		
Salaries and related costs	**3,625,123**	3,512,973
Contributions to defined contribution plan	**316,356**	288,607
Skill Development Levy and Foreign Worker Levy	**484,728**	389,531
	4,426,207	4,191,111
Total	**5,111,253**	4,830,679
Other staff		
Staff allowances	**100,461**	195,770

The Home had 139 (2020: 141) employees at 31 December 2021.

Key management personnel are the Chief Executive Officer and the Senior Officers having authority and responsibility for planning, directing and controlling the activities of the Home, directly or indirectly. During the financial year, there are 4 personnels (2020: 4 personnels) who received more than $100,000 in salaries, bonuses and CPF contributions.

21. Leases

Nature of the Home's leasing activities

The Home leases land from Singapore Land Authority. The lease has a tenure of three years. In the previous financial year, the Home signed a new lease agreement as the previous agreement has expired.

The maturity analysis of the lease liability is disclosed in Note 23(b).

Information about leases for which the Home is a lessee is presented below:

Carrying amount of right-of-use assets

The carrying amount of right-of-use assets are as follows:

	2021	2020
	$	$
Classified within property, plant and equipment		
- Leasehold land	**751,395**	1,252,325
Additions to right-of-use assets	–	1,502,789

21. Leases (cont'd)

Amounts recognised in the statement of financial activities

	2021	2020
	$	$
Depreciation charge for the financial year		
- Leasehold land	**500,930**	510,536
Interest expense on lease liability	**53,664**	40,038

During the financial year, the total cash flow for leases amounted to $423,136 (2020: $369,889).

22. Related party transactions

Other than disclosed elsewhere in the financial statements, the following are the related party transactions during the financial year between the Home and related parties on terms agreed by the parties concerned.

	2021	2020
	$	$
With members of the Management Committee and key management personnel		
Tax deductible donations received	**4,550**	3,400

23. Financial instruments

a) Categories of financial instruments

	2021	2020
	$	$
Financial assets		
Financial assets at amortised costs	**19,861,437**	18,079,321
Financial liabilities		
At amortised costs	**1,967,443**	2,534,245

b) Financial risk management

The Home does not have a formal overall risk management programme but the Management Committee reviews the financial risks on a periodic basis.

Interest rate risk

The Home's exposure to interest rate risk is minimal as the impact of interest rate fluctuations on its fixed deposits are insignificant and the Home has no liabilities or other assets that are interest bearing or earning, respectively.

23. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Foreign currency risk

The Home has no exposure to any foreign currency risk as its transactions, assets and liabilities are denominated in its functional currency.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting to financial loss to the Home. For other financial assets (including cash and cash equivalents), the Home minimises credit risk by dealing with high credit counterparties.

The Home's exposure to credit risk arises from the failure of a resident to settle its financial and contractual obligations to the Home, as and when they fall due. The Management Committee manages this risk by limiting the aggregate financial exposure to any individual resident.

The following sets out the Home's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	**Basis for recognition and measurement of ECL**
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 60 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Home has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Movements in credit loss allowance for receivables - third parties is disclosed in Note 6.

The credit loss exposure for cash and cash equivalents and other receivables are immaterial as at 31 December 2021 and 31 December 2020.

23. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Receivables - third parties

The Home has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance. The Home has measured credit loss exposure based on historical credit loss experience, based on past due status of the trade receivables, adjusted as appropriate to reflect the current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of receivables is presented based on their past due status in terms of the provision matrix.

	Months past due			
	0 to 3 months	**3 to 6 months**	**Over 6 months**	**Total**
	$	**$**	**$**	**$**
2021				
ECL rate	**0%**	**0%**	**59%**	
Gross trade receivables	**18,468**	**(3,908)**	**157,760**	**172,320**
Loss allowance	**–**	**–**	**92,880**	**92,880**
2020				
ECL rate	0%	0%	51%	
Gross trade receivables	18,040	14,667	151,570	184,277
Loss allowance	–	–	77,980	77,980

Liquidity risk

In the management of liquidity risk, the Home monitors and maintains a level of cash and cash equivalents deemed adequate by the Management Committee to finance the Home's operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Home's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2021			2020		
	1 year or less	**1 to 5 year**	**Total**	1 year or less	1 to 5 year	Total
	$	**$**	**$**	$	$	$
Payables (excluding lease liability)	**1,187,227**	**–**	**1,187,227**	1,266,178	–	1,266,178
Lease liability	**541,514**	**270,757**	**812,271**	541,514	812,271	1,353,785

c) Fair values

The carrying amounts of financial assets and liabilities recorded in the financial statements of the Home approximate their fair values.

24. Fund management

The Home's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as a going concern and to develop its principal activities over the longer term through the fees received from residents and daycare, donations and significant support in various form of government funding and subsidies.

No changes were made to the Home's fund management objectives or policies during the financial years ended 31 December 2021 and 31 December 2020.

25. Authorisation of financial statements

The financial statements of the Home for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Management Committee dated 3 March 2022.