

GEYLANG EAST HOME FOR THE AGED
(UEN : T01SS0110J)
(ROS : 165/2001 WEL)

(Registered Under Charities Act, Cap 37
And Societies Act, Cap. 311)

FINANCIAL STATEMENTS
31 March 2018

UHY LEE SENG CHAN & CO
Public Accountants and
Chartered Accountants

GEYLANG EAST HOME FOR THE AGED
UEN : T01SS0110J

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GEYLANG EAST HOME FOR THE AGED

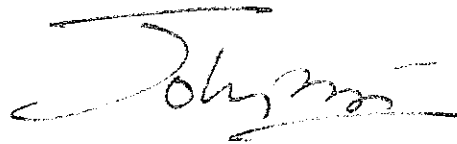
STATEMENT BY MANAGEMENT COMMITTEE

In our opinion, the accompanying financial statements of Geylang East Home For The Aged (the "Association") are drawn up so as to give a true and fair value of the state of affairs of the Association as at 31 March 2018, and of its results, changes in fund balances and cash flows of the Association for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On behalf of the Management Committee,



Wong Ngiam Chin
Chairman



Foo Shiang Ping
Secretary

Singapore
10 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEYLANG EAST HOME FOR THE AGED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Geylang East Home For The Aged (the Association), which comprise the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in fund balances 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 provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Association as at 31 March 2018 and the results, changes in fund balances and cash flows of the Association 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 Association in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Statement by Management Committee set out on page 1.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEYLANG EAST HOME FOR THE AGED

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

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

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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
GEYLANG EAST HOME FOR THE AGED**

- 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 Association'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 Association 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 by the regulations enacted under the Societies Act and the Charities Act to be kept by the Association have been properly kept in accordance with those regulations.

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

- a) the use of the donation monies was not in accordance with the objectives of the Association as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Association has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institute of a Public Character) Regulations.

UHY Lee Seng Chan & Co

UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
10 August 2018

GEYLANG EAST HOME FOR THE AGED

STATEMENT OF FINANCIAL POSITION

31 March 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	326,879	403,278
Fixed deposits	6	3,581,300	3,193,863
Other receivables	7	146,527	71,640
		<u>4,054,706</u>	<u>3,668,781</u>
Non-current assets			
Fixed deposits	6	-	709,313
Property, plant and equipment	8	1,955,792	1,287,454
		<u>1,955,792</u>	<u>1,996,767</u>
Total assets		<u>6,010,498</u>	<u>5,665,548</u>
LIABILITIES			
Current liabilities			
Trust account		42,867	44,637
Other payables	9	344,736	109,312
Deferred income	10	379,073	-
Finance lease liability	11	5,030	4,781
		<u>771,706</u>	<u>158,730</u>
Non-current liability			
Finance lease liability	11	7,116	12,146
Total liabilities		<u>778,822</u>	<u>170,876</u>
NET ASSETS		<u>5,231,676</u>	<u>5,494,672</u>
FUNDS			
Unrestricted funds	22	4,472,406	5,365,133
Restricted funds	23	759,270	129,539
Total funds		<u>5,231,676</u>	<u>5,494,672</u>

The accompanying notes form part of these financial statements

GEYLANG EAST HOME FOR THE AGED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Financial year ended 31 March 2018

	Note	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Income					
Donations received	12	501	456,631	457,132	552,189
Fees collected from care services	13	-	199,866	199,866	215,460
Government grants	14	28,179	425,385	453,564	63,556
MSF grants		-	365,680	365,680	389,292
Interest on fixed deposits		55,005	-	55,005	72,676
Interest on other bank deposits		1,490	-	1,490	1,369
Others	15	50,276	49,485	99,761	74,730
		<u>135,451</u>	<u>1,497,047</u>	<u>1,632,498</u>	<u>1,369,272</u>
Expenditure					
Charitable activities	16	142,224	424,183	566,407	396,936
Employee benefits expense	17	231,670	674,045	905,715	647,132
Governance costs	18	28,175	1,605	29,780	32,440
Other expenditure	19	22,709	290,124	312,833	257,797
Finance cost	20	-	728	728	964
		<u>424,778</u>	<u>1,390,685</u>	<u>1,815,463</u>	<u>1,335,269</u>
Surplus/(deficit) for the year representing total comprehensive income/(loss) for the financial year		<u>(289,327)</u>	<u>106,362</u>	<u>(182,965)</u>	<u>34,003</u>

The accompanying notes form part of these financial statements

GEYLANG EAST HOME FOR THE AGED

STATEMENT OF CHANGES IN FUND BALANCES

Financial year ended 31 March 2018

	Note	Unrestricted funds \$	Restricted funds \$	Total funds \$
Balance at 1 April 2016		5,036,906	501,745	5,538,651
Surplus/(Deficit) for the financial year, representing total comprehensive income/ (loss) for the financial year		328,227	(294,224)	34,003
Depreciation charged for the financial year recognised in the restricted fund	8	-	(77,982)	(77,982)
Balance at 31 March 2017		5,365,133	129,539	5,494,672
Surplus/(Deficit) for the financial year, representing total comprehensive income/ (loss) for the financial year		(289,327)	106,362	(182,965)
Depreciation charged for the financial year recognised in the restricted fund	8	-	(80,031)	(80,031)
Transfers of funds		(603,400)	603,400	-
Balance at 31 March 2018		4,472,406	759,270	5,231,676

The accompanying notes form part of these financial statements

GEYLANG EAST HOME FOR THE AGED

STATEMENT OF CASH FLOWS

Financial year ended 31 March 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
(Deficit)/Surplus for the financial year		(182,965)	34,003
Adjustments for:			
Amortisation of government grant		(136,479)	-
Depreciation of property, plant and equipment		298,135	150,772
Interest income		(56,495)	(74,045)
Interest expense		728	964
Property, plant and equipment written off		11,348	11,813
Operating (deficit)/surplus before working capital changes		(65,728)	123,507
Changes in working capital			
Other receivables		(74,887)	6,059
Other payables		233,654	38,376
Net cash from operating activities		<u>93,039</u>	<u>167,942</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,057,852)	(887,889)
Interest received		56,495	74,045
Changes in fixed deposits with maturity period of more than 3 months		321,876	140,715
Net cash used in investing activities		<u>(679,481)</u>	<u>(673,129)</u>
Cash flows from financing activities			
Repayment of finance lease obligation		(4,781)	(4,544)
Receipt of government grant		515,552	-
Interest paid		(728)	(964)
Net cash from/(used in) investing activities		<u>510,043</u>	<u>(5,508)</u>
Net change in cash and cash equivalents		(76,399)	(510,695)
Cash and cash equivalents at beginning of financial year		403,278	913,973
Cash and cash equivalents at end of financial year	5	<u><u>326,879</u></u>	<u><u>403,278</u></u>

The accompanying notes form part of these financial statements

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

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

1. GENERAL INFORMATION

The Geylang East Home For The Aged (the "Association") is established and domiciled in the Republic of Singapore with its registered office located at Block 97 Aljunied Crescent, #01-439, Singapore 380097.

The mission of the Association is to provide a supportive environment to encourage independent living for the ambulant and the fairly frail aged and a designated place with a broad array of programmes and activities targeted at residents both young and old.

The financial statements for the financial year ended 31 March 2018 include the Association's programmes/activities namely Sheltered Home, Senior Care Centre, Harmony Activity Centre and Community Silver Trust.

The financial statements for the financial year ended 31 March 2018 were authorised for issue by the Management Committee on 10 August 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies set out below.

The financial statements are presented in Singapore dollar ("S\$"), which is the functional currency of the Association.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Management is of the opinion that there are no areas involving critical judgements and no areas where estimates and assumptions are significant to the financial statements.

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31 March 2018

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on 1 April 2017, including the Amendments to FRS 7 Disclosure Initiative. Except for the amendments to FRS 7, the adoption of these new and revised standards did not have any material effect on the financial performance or position of the Company for the current or prior financial year.

(b) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

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.

Loan and receivables are initially measured at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables where the recognition of interest would be immaterial. Loans and receivables are presented as "cash and cash equivalents", "fixed deposits" and "other receivables" on the statement of financial position.

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31 March 2018

Impairment of financial assets

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

Assets carried at amortised cost

For financial assets carried at amortised cost, the Association 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 Association 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.

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 shall be reduced either directly or 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 Association 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

GEYLANG EAST HOME FOR THE AGED

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Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities are classified as either financial liabilities “at fair value through profit or loss” or other financial liabilities.

Other payables

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire.

(c) PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment is computed on a straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

	Years
Computers	3
Equipment/Kitchen equipment	10
Furniture and fittings	10
Sound system equipment	5
Electrical equipment and installation	5
Renovation	5
Pavilion	5

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

Assets under construction are stated at cost and not depreciated.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

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 on derecognising of the asset is included in the profit or loss in the financial period the asset is derecognised.

(d) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Association's non-financial assets are reviewed for impairment at the end of each reporting period and whenever there is any indication that these assets may be impaired. If any such indication exists or when an annual impairment testing for an asset is required, the recoverable amount of the asset is estimated to determine the amount of the impairment loss (if any).

Recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and the impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset or CGU in prior years. A reversal of impairment loss is recognised in profit or loss.

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

(e) REVENUE RECOGNITION

Revenue including donations and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty (c) sufficient reliability of measurement. Such income is only deferred when: donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Association has unconditional entitlement. The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the ordinary activities of the Association and it is shown net of related sales tax, discounts and rebates.

Donations

Revenue from donations is recognised when received, except for committed donations that are recognised when the commitments are signed.

Government grants

A government grant is recognised at its fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate, on a systematic basis.

Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation or amortisation of the related assets purchased with the grants.

Fee collected from care services

Revenue from rendering of services, which include day care services, day care transport services, laundry services, and residential care services is recognised when the services are completed.

Interest income

Interest income from fixed deposits is recognised on a time-proportion basis using the effective interest method.

(f) PROVISIONS

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

GEYLANG EAST HOME FOR THE AGED

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The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(g) EMPLOYEE BENEFITS

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

Contributions to defined contribution plans are recognised in the same financial year as the employment that gives rise to the contributions.

(h) FUNDS

Monies received for specific purposes, including transfers from the unrestricted funds, are credited directly to the respective fund financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Association that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Association. Unrestricted funds are expendable at the discretion of the Association's management committee in furtherance of the Association's objects.

Income and expenditure relating to funds for specific purposes are accounted for directly in the fund accounts for the relevant programmes. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific purpose funds are pooled in the statement of financial position.

(i) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, bank balances and fixed deposits placed with financial institutions. For the purpose of statement of cash flows, cash and cash equivalents are presented net of fixed deposits with maturity period of more than 3 months.

(j) DEFERRED CAPITAL FUND

Deferred capital fund comprises capital grants to fund purchase of property, plant and equipment. Transfers are made to the deferred capital fund when amounts are utilised for purchase of property, plant and equipment using funds which are specifically donated or received for the purchase of property, plant and equipment. The depreciation of the assets purchased with the related donation and grants are taken to the deferred capital fund over the useful lives of the related assets.

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

3. STATEMENT OF FINANCIAL POSITION - DETAILS BY PROGRAMMES

31 March 2018

	Association \$	Sheltered Home \$	Senior Care Centre \$	Harmony Activity Centre \$	Community Silver Trust \$	Total \$
ASSETS						
Current assets						
Cash and cash equivalents	601,952	292,881	(363,778)	(373,390)	169,214	326,879
Fixed deposits	3,581,300	-	-	-	-	3,581,300
Other receivables	53,806	1,996	86,509	4,216	-	146,527
	4,237,058	294,877	(277,269)	(369,174)	169,214	4,054,706
Non-current assets						
Property, plant and equipment	254,482	77,449	700,468	616,649	306,744	1,955,792
	254,482	77,449	700,468	616,649	306,744	1,955,792
Total assets	4,491,540	372,326	423,199	247,475	475,958	6,010,498
LIABILITIES						
Current liabilities						
Trust account	-	42,867	-	-	-	42,867
Other payables	19,134	46,147	31,980	247,475	-	344,736
Deferred income	-	-	379,073	-	-	379,073
Finance lease liability	-	-	5,030	-	-	5,030
	19,134	89,014	416,083	247,475	-	771,706
Non-current liability						
Finance lease liability	-	-	7,116	-	-	7,116
Total liabilities	19,134	89,014	423,199	247,475	-	778,822
NET ASSETS/(LIABILITIES)	4,472,406	283,312	-	-	475,958	5,231,676
FUNDS						
Unrestricted funds	4,472,406	-	-	-	-	4,472,406
Restricted funds						
- Funds represented by cash	-	283,312	-	-	169,214	452,526
- Funds represented by property, plant and equipment	-	-	-	-	306,744	306,744
	-	283,312	-	-	475,958	759,270
Total funds	4,472,406	283,312	-	-	475,958	5,231,676

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - DETAILS BY PROGRAMMES

Financial year ended

31 March 2018

	Association \$	Sheltered Home \$	Senior Care Centre \$	Harmony Activity Centre \$	Community Silver Trust \$	Total \$
Income						
Donations received	501	-	314,772	141,859	-	457,132
Fees collected from care services	-	90,790	109,076	-	-	199,866
Government grants	28,179	-	425,025	360	-	453,564
MSF grants	-	222,374	-	143,306	-	365,680
Interest on fixed deposits	55,005	-	-	-	-	55,005
Interest on other bank deposits	1,490	-	-	-	-	1,490
Others	50,276	-	2,800	46,685	-	99,761
	135,451	313,164	851,673	332,210	-	1,632,498
Expenditure						
Charitable activities	142,224	74,739	263,919	85,525	-	566,407
Employee benefits expense	231,670	125,208	340,852	207,985	-	905,715
Governance costs	28,175	1,605	-	-	-	29,780
Other expenditure	22,709	93,105	147,376	47,643	2,000	312,833
Finance costs	-	-	728	-	-	728
	424,778	294,657	752,875	341,153	2,000	1,815,463
Net income/(loss)	(289,327)	18,507	98,798	(8,943)	(2,000)	(182,965)

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

5. CASH AND CASH EQUIVALENTS

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Cash at banks and on hand	601,952	(275,073)	326,879	403,278

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Cash and cash equivalents (as above)	601,952	(275,073)	326,879	403,278
Fixed deposits (Note 6)	3,581,300	-	3,581,300	3,903,176
	4,183,252	(275,073)	3,908,179	4,306,454
Less: Fixed deposits with maturity period of more than 3 months	(3,581,300)	-	(3,581,300)	(3,903,176)
Cash and cash equivalents in the statement of cash flows	601,952	(275,073)	326,879	403,278

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6. FIXED DEPOSITS

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
<i>Current</i>				
Fixed deposits maturing within 1 year	3,581,300	-	3,581,300	3,193,863
<i>Non-current</i>				
Fixed deposit maturing after 1 year	-	-	-	309,313
Principal-guaranteed fixed deposits maturing after 1 year	-	-	-	400,000
	-	-	-	709,313
	3,581,300	-	3,581,300	3,903,176

Fixed deposits earn interest at rates ranging from 1.1% to 1.78% (2017 : 1.1% to 1.95%) per annum.

7. OTHER RECEIVABLES

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Interest receivable	35,523	-	35,523	43,405
Loan to ex-staff	-	-	-	6,600
Refundable deposits	15,053	7,797	22,850	17,468
Prepayments	3,204	4,602	7,806	4,167
Sundry receivables	26	80,322	80,348	-
	53,806	92,721	146,527	71,640

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8. PROPERTY, PLANT AND EQUIPMENT

2018

	Computers \$	Equipment/ Kitchen equipment \$	Furniture and fittings \$	Sound system equipment \$	Electrical equipment and installation \$	Renovation \$	Pavilion \$	Assets under construction \$	Total \$
Cost									
Balance at beginning	37,517	55,624	46,283	12,247	176,664	1,090,994	184,353	285,209	1,888,891
Additions	13,758	1,186	4,173	12,840	5,161	1,020,734	-	-	1,057,852
Written off	-	-	(8,937)	(7,490)	(8,199)	(77,488)	-	-	(102,114)
Reclassification	-	-	-	-	-	195,209	-	(195,209)	-
Balance at end	51,275	56,810	41,519	17,597	173,626	2,229,449	184,353	90,000	2,844,629
Accumulated depreciation									
Balance at beginning	16,286	26,896	13,318	7,271	126,816	226,497	184,353	-	601,437
Charge for the financial year	12,759	5,602	5,046	2,345	16,813	335,601	-	-	378,166
Written off	-	-	(4,162)	(5,271)	(6,919)	(74,414)	-	-	(90,766)
Balance at end	29,045	32,498	14,202	4,345	136,710	487,684	184,353	-	888,837
Carrying amount									
Balance at 31 March 2018	22,230	24,312	27,317	13,252	36,916	1,741,765	-	90,000	1,955,792

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

2017

	Computers \$	Equipment/ Kitchen equipment \$	Furniture and fittings \$	Sound system equipment \$	Electrical equipment and installation \$	Renovation \$	Pavilion \$	Assets under construction \$	Total \$
Cost									
Balance at beginning	18,759	85,830	25,168	12,247	160,975	1,203,249	184,353	-	1,690,581
Additions	18,758	6,955	21,115	-	20,023	535,829	-	285,209	887,889
Written off	-	(37,161)	-	-	(4,334)	(648,084)	-	-	(689,579)
Balance at end	37,517	55,624	46,283	12,247	176,664	1,090,994	184,353	285,209	1,888,891
Accumulated depreciation									
Balance at beginning	7,725	58,976	10,306	4,955	114,420	669,714	184,353	-	1,050,449
Charge for the financial year	8,561	5,081	3,012	2,316	16,080	193,704	-	-	228,754
Written off	-	(37,161)	-	-	(3,684)	(636,921)	-	-	(677,766)
Balance at end	16,286	26,896	13,318	7,271	126,816	226,497	184,353	-	601,437
Carrying amount									
Balance at 31 March 2017	21,231	28,728	32,965	4,976	49,848	864,497	-	285,209	1,287,454

Electrical equipment and installation with carrying amount of \$10,969 (2017 : \$15,844) was acquired under finance lease arrangement.

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

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Depreciation charge for the financial year was recognised in:

	2018	2017
	\$	\$
Statement of profit or loss and other comprehensive income (Note 16)	298,135	150,772
Restricted fund represented by property, plant and equipment (Note 23)	80,031	77,982
	<u>378,166</u>	<u>228,754</u>

9. OTHER PAYABLES

	Unrestricted funds	Restricted funds	2018	2017
	\$	\$	\$	\$
Advances	-	2,130	2,130	4,310
Sundry creditor	-	25,434	25,434	32,777
Deposits received	-	26,000	26,000	41,500
Accrued operating expenses	19,134	32,090	51,224	30,725
Accrued renovation costs	-	239,948	239,948	-
	<u>19,134</u>	<u>325,602</u>	<u>344,736</u>	<u>109,312</u>

10. DEFERRED INCOME

	Unrestricted funds	Restricted funds	2018	2017
	\$	\$	\$	\$
Capital expenditure grant from MOH	-	379,073	379,073	-
	<u>-</u>	<u>379,073</u>	<u>379,073</u>	<u>-</u>

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	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Current	-	103,727	103,727	-
Non-current	-	275,346	275,346	-
	-	379,073	379,073	-
Amount recognised in profit or loss during the financial year (Note 14)	-	136,479	136,479	-

Deferred income relates to a grant of \$515,552 received from the Ministry of Health ("MOH") to assist the Association in its purchase of property, plant and equipment (the "Assets") during the financial year. The deferred income is released to profit or loss on a straight line basis over the depreciable period of the Assets purchased.

11. FINANCE LEASE LIABILITY

	2018		2017	
	Minimum lease payments \$	Present value of minimum lease payments \$	Minimum lease payments \$	Present value of minimum lease payments \$
Within one year	5,508	5,030	5,509	4,781
After one year but not more than five years	7,344	7,116	12,852	12,146
Total minimum lease payments	12,852	12,146	18,361	16,927
Less: Amount representing finance charges	(706)	-	(1,434)	-
Present value of minimum lease payments	12,146	12,146	16,927	16,927

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The effective borrowing rate is at 5% (2017: 5%) per annum.

The fair value of finance lease liability approximates its carrying amount.

12. DONATIONS RECEIVED

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Donations	501	456,631	457,132	552,189

The Association issued tax exempt receipts for donations amounting to \$354,597 (2017 : \$428,530) during the financial year.

13. FEES COLLECTED FROM CARE SERVICES

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Day care service fees	-	6,600	6,600	93,955
Day care transport service fees	-	20,038	20,038	18,685
Laundry fees	-	5,000	5,000	5,180
Residential care services fees	-	85,790	85,790	97,640
Community rehabilitation fees	-	7,574	7,574	-
Dementia day care fees	-	26,879	26,879	-
Maintenance day care fees	-	39,583	39,583	-
Maintenance rehabilitation fees	-	8,402	8,402	-
	-	199,866	199,866	215,460

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NOTES TO THE FINANCIAL STATEMENTS
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14. GOVERNMENT GRANTS

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Special employment credit	8,274	-	8,274	10,955
Temporary employment credit	3,779	-	3,779	4,258
Wage credit scheme	16,006	-	16,006	10,130
Subvention from Ministry of Health	-	163,134	163,134	-
Grants from Ministry of Health	-	94,579	94,579	-
Amortisation of government grant (Note 10)	-	136,479	136,479	-
Others	120	31,193	31,313	38,213
	<u>28,179</u>	<u>425,385</u>	<u>453,564</u>	<u>63,556</u>

15. OTHERS

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Activity income	49,603	-	49,603	72,184
Miscellaneous income	673	48,619	49,292	1,634
Membership fee	-	866	866	912
	<u>50,276</u>	<u>49,485</u>	<u>99,761</u>	<u>74,730</u>

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16. CHARITABLE ACTIVITIES

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Activity expenses	54,020	8,819	62,839	59,515
Depreciation of property, plant and equipment	64,310	233,825	298,135	150,772
Property, plant and equipment written off	-	11,348	11,348	11,813
Minor assets written off	2,401	11,311	13,712	16,287
Transport, rental, repair, maintenance and utilities	21,493	158,880	180,373	158,549
	<u>142,224</u>	<u>424,183</u>	<u>566,407</u>	<u>396,936</u>

17. EMPLOYEE BENEFITS EXPENSE

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Salaries, bonuses and related costs	206,797	600,014	806,811	579,740
Employer's contribution to Central Provident Fund	24,873	74,031	98,904	67,392
	<u>231,670</u>	<u>674,045</u>	<u>905,715</u>	<u>647,132</u>

18. GOVERNANCE COSTS

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Accountancy fee	14,590	-	14,590	14,600
Audit fee	13,585	1,605	15,190	17,840
	<u>28,175</u>	<u>1,605</u>	<u>29,780</u>	<u>32,440</u>

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

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19. OTHER EXPENDITURE

	Unrestricted funds \$	Restricted funds \$	2018 \$	2017 \$
Accessibility facilities expenses	2,648	3,574	6,222	4,411
Advertisement	-	-	-	10,379
Bank charges	658	-	658	465
Cleaning	60	2,360	2,420	2,170
Design fee	1,012	-	1,012	1,500
Pest control	1,380	1,080	2,460	3,300
Postage	529	49	578	527
Printing and stationery	2,060	7,306	9,366	4,072
Subscription fee	609	1,502	2,111	1,941
General expenses	100	72	172	-
Gift and entertainment	920	651	1,571	1,319
Telecommunication expenses	2,758	7,236	9,994	7,382
Application fee	-	90	90	12,544
Other services	1,195	82,314	83,509	27,635
Other receivable written off	6,600	-	6,600	-
Instructor's fee	-	31,058	31,058	27,819
Transaction fee	552	-	552	1,005
Recruitment	-	784	784	1,708
Refreshment	831	-	831	839
Licence fees	794	100	894	1,339
Penalty	3	200	203	200
Ration	-	144,673	144,673	137,224
Residents medical	-	1,835	1,835	308
Residence allowances	-	5,240	5,240	9,710
	<u>22,709</u>	<u>290,124</u>	<u>312,833</u>	<u>257,797</u>

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS
31 March 2018

20. FINANCE COST

	Unrestricted funds	Restricted funds	2018	2017
	\$	\$	\$	\$
Interest expense - finance lease	-	728	728	964

21. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Association has outstanding rental commitment for office equipment and residential premises under non-cancellable operating lease falling due as follows:

	2018	2017
	\$	\$
Within one year	18,060	8,760
Between one and five years	21,035	10,575
	<u>39,095</u>	<u>19,335</u>

The above operating lease does not contain any escalation clauses.

GEYLANG EAST HOME FOR THE AGED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2018

22. UNRESTRICTED FUNDS

Each programme of the Association maintains separate accounts for funds received to be utilised for general activities within the programme (unrestricted funds) as well as for funds received for specific purpose (restricted funds) within the respective programmes as designated by Management. The balances and movements of the unrestricted funds are presented below:

2018

	Balance at beginning \$	Income \$	Expenditure \$	Net (expenditure)/ income \$	Fund transfer \$	Balance at year end \$
Unrestricted funds						
Association	5,365,133	135,451	(424,778)	(289,327)	(603,400)	4,472,406

2017

Unrestricted funds						
Association	5,036,906	690,325	(362,098)	328,227	-	5,365,133

23. RESTRICTED FUNDS

2018

	Balance at beginning \$	Income \$	Expenditure \$	Net income/ (expenditure) \$	Fund transfer \$	Balance at year end \$
<i><u>Funds represented by cash and other net financial assets</u></i>						
Sheltered Home	264,805	313,164	(294,657)	18,507	-	283,312
Senior Care Centre	(521,235)	851,673	(752,875)	98,798	422,437	-
Harmony Activity Centre	(172,020)	332,210	(341,153)	(8,943)	180,963	-
Community Silver Trust Fund	171,214	-	(2,000)	(2,000)	-	169,214
	(257,236)	1,497,047	(1,390,685)	106,362	603,400	452,526
<i><u>Funds represented by property, plant and equipment</u></i>						
Deferred Capital fund (Note 2j and Note 8)	386,775	-	(80,031)	(80,031)	-	306,744
	129,539	1,497,047	(1,470,716)	26,331	603,400	759,270

GEYLANG EAST HOME FOR THE AGED

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2017

	Balance at beginning \$	Income \$	Expenditure \$	Net income/ (expenditure) \$	Fund transfer \$	Balance at year end \$
<i>Funds represented by cash and other net financial assets</i>						
Sheltered Home	196,997	351,995	(284,187)	67,808	-	264,805
Senior Care Centre	(246,275)	132,890	(407,850)	(274,960)	-	(521,235)
Harmony Activity Centre	(85,948)	194,062	(280,134)	(86,072)	-	(172,020)
Community Silver Trust Fund	278,000	-	(1,000)	(1,000)	(105,786)	171,214
	142,774	678,947	(973,171)	(294,224)	(105,786)	(257,236)
<i>Funds represented by property, plant and equipment</i>						
Deferred Capital fund (Note 2j and Note 8)	358,971	-	(77,982)	(77,982)	105,786	386,775
	501,745	678,947	(1,051,153)	(372,206)	-	129,539

**24. FINANCIAL INSTRUMENTS, FINANCIAL RISKS
AND CAPITAL RISKS MANAGEMENT**

(a) Categories of financial instruments

Financial instruments as at the end of the reporting period are as follows:

	2018 \$	2017 \$
Financial assets		
Loans and receivables	4,046,900	4,373,927
Financial liabilities		
Financial liabilities at amortised cost	399,749	166,566

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(b) Financial risk management

The main risks arising from the Association's normal course of business are credit, interest rate, liquidity, equity price and foreign currency risks. The Association's overall risk management strategy seeks to minimise potential adverse effects of these risks on the financial performance of the Association.

Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Association's activities.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Association as and when they fall due.

The Association minimises credit risk by dealing exclusively with high credit rating counterparties.

At the end of the reporting period, the Association's maximum exposure to credit risk is represented by the carrying amount of each financial asset recognised in the statement of financial position. Cash is placed with banks which are regulated.

There is no financial asset that is past due and/or impaired.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Association's financial instruments will fluctuate because of changes in market interest rates.

The Association's fixed deposits are exposed to fluctuations in interest rates, which may affect the Association's interest income. The Association's finance lease liability does not give rise to interest rate risk as it is a fixed rate instrument. The Association's policy is to ensure that surplus funds are placed with reputable banks and to obtain the most favourable interest rate available for its finance lease liability.

Sensitivity analysis

At the end of the reporting period, an increase/(decrease) of 25 basis points in interest rate of fixed deposits would increase/(decrease) surplus for the financial year by approximately \$8,953 (2017 : \$9,758).

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting financial obligations due to shortage of funds.

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

The table below analyses the maturity profile of the Association's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

	1 year or less \$	1 to 5 years \$	Total \$
2018			
Financial liabilities			
Trust account	42,867	-	42,867
Other payables	344,736	-	344,736
Finance lease liability	5,508	7,344	12,852
	<u>393,111</u>	<u>7,344</u>	<u>400,455</u>
2017			
Financial liabilities			
Trust account	44,637	-	44,637
Other payables	109,312	-	109,312
Finance lease liability	5,509	12,852	18,361
	<u>159,458</u>	<u>12,852</u>	<u>172,310</u>

Foreign currency risk

Currency risk arises when transactions or balances are denominated in foreign currencies.

The Association is not exposed to foreign currency risk as all its transactions and balances are denominated in Singapore dollars.

(c) Fair value of financial instruments

Except as disclosed in the financial statements, management has determined that the carrying amounts of financial assets and liabilities approximate their fair values because these instruments are short-term in nature.

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25. FUND MANAGEMENT AND OBJECTIVES

The funds of the Association comprise unrestricted funds and restricted funds. The Association's objectives when managing its funds are to safeguard its ability to maintain adequate working capital to meet its operating expenditure and to continue as a going concern and promote its mission which is to provide a supportive environment to encourage independent living for the ambulant and the fairly frail aged.

The Association's approach to fund management remained unchanged since the previous financial year.

The Association is not subject to any externally imposed fund requirements.

26. REGISTRATION UNDER CHARITIES ACT, CHAPTER 37

The Association has been registered as a Charitable Organisation under the Charities Act, Chapter 37.

27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

New standards, amendments to standards and interpretations that have been issued but are not yet effective for annual period beginning on 1 April 2017 have not been applied in preparing these financial statements. Management expects that the adoption of these new standards, amendments and interpretations will have no material impact on the financial statements in the period of initial application except for FRS 109 and FRS 116 described below:

FRS 109 Financial Instruments

FRS 109 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. The Association is currently assessing the impact of the new accounting standard and plans to adopt the standard when it becomes effective on 1 January 2018.

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FRS 116 Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Under FRS 116, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. When effective, FRS 116 will supersede all current lease accounting guidance, including FRS 17 Leases.

The Association is currently assessing the impact of the new accounting standard and plans to adopt the standard when it becomes effective on 1 January 2019.