



Kidney Dialysis Foundation Limited
(A Company Limited by Guarantee)
Registration Number: 199600830Z

Annual Report
Year ended 31 March 2013

Directors' Report

We are pleased to submit this annual report to the members of the Foundation together with the audited financial statements of the Foundation for the financial year ended 31 March 2013.

Directors

The directors in office at the date of this report are as follows:

Dr Gordon Ku, Chairman
Cheng Wai Keung
Lee Ching Yen, Stephen
Watson Ong
Yeoh Oon Jin
Peter Tan Sim Cheng
Bernie Poh
Wong Yew Meng
Dr Lim Cheok Peng

Principal Activities

The Foundation was incorporated on 1 February 1996 as a company limited by guarantee and is registered as a charity under the Charities Act, Chapter 37.

The principal activities of the Foundation during the financial year have been those relating to the provision of subsidised and/or free medical treatment and dialysis services for patients suffering from kidney and kidney related illnesses. These activities are funded by donations received from the general public and subsidies from the Government, administered by the Ministry of Health. The Foundation generally does not accept private patients who are financially able to pay for dialysis treatment from private centres. There have been no significant changes in such activities during the financial year.

The Foundation's secondary strategic mission is to identify and support research in the area for the prevention, treatment and cure of kidney and kidney related diseases. The Foundation has signed a memorandum of understanding in November 2007 with The National University of Singapore ("NUS") to collaborate in the area of research for the prevention, treatment and cure of kidney and kidney related diseases. This collaboration with NUS provides the infrastructure and discipline required for the selection, monitoring and reviewing process for research projects to achieve the Foundation's mission and vision.

Directors' Interests

Directors, who are also members of the Foundation, are Dr Gordon Ku, Mr Cheng Wai Keung and Mr Stephen Lee Ching Yen. The members do not have a personal interest in the Foundation.

As the Foundation is a company limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under Section 201 (6) (g) and Section 201 (12) of the Companies Act, Chapter 50 does not apply.

Neither at the end of nor at any time during the financial year was the Foundation a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Foundation to acquire benefits by means of the subscription to or acquisition of debentures of the Foundation or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Foundation or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share Options

As the Foundation is a company limited by guarantee and has no share capital, the statutory information required to be disclosed under Section 201 (12) of the Companies Act, Chapter 50 does not apply.

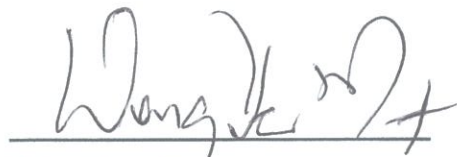
Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Dr Gordon Ku
Director



Wong Yew Meng
Director

28 June 2013

Statement by Directors

In our opinion:

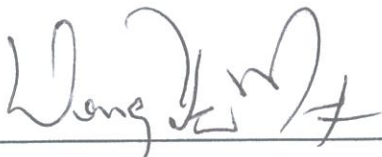
- (a) the financial statements set out on pages FS1 to FS32 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 March 2013 and the results and cash flows of the Foundation for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, Charities Act, Chapter 37 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Dr Gordon Ku
Director



Wong Yew Meng
Director

28 June 2013



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Independent Auditor's Report

Members of the Foundation
Kidney Dialysis Foundation Limited
(A Company Limited by Guarantee)

Report on the financial statements

We have audited the accompanying financial statements of Kidney Dialysis Foundation Limited (the "Foundation"), which comprise the statement of financial position as at 31 March 2013, the statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS32.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Foundation as at 31 March 2013 and the results and cash flows of the Foundation for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.

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

- (a) the Foundation has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations; and
- (b) the use of donation moneys was not used in accordance with the objectives of the Foundation as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations.

KPMG WP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
28 June 2013

Statement of Financial Position
As at 31 March 2013

	Note	2013 \$	2012 (restated) \$	2011 (restated) \$
Non-Current Assets				
Plant and equipment	5	668,103	298,342	406,539
Intangible assets	6	24,487	12,518	22,782
Investments – Quoted bonds	7	250,000	755,074	1,501,462
Total Non-Current Assets		<u>942,590</u>	<u>1,065,934</u>	<u>1,930,783</u>
Current Assets				
Investments – Quoted bonds	7	499,264	741,828	496,483
Trade and other receivables	8	415,078	483,727	334,838
Cash and cash equivalents	10	21,590,938	18,992,346	17,150,982
Total Current Assets		<u>22,505,280</u>	<u>20,217,901</u>	<u>17,982,303</u>
Total Assets		<u>23,447,870</u>	<u>21,283,835</u>	<u>19,913,086</u>
Non-Current Liability				
Deferred capital grants	11	535,404	8,100	16,200
Grants received in advance	13	665,497	–	–
		<u>1,200,901</u>	<u>8,100</u>	<u>16,200</u>
Current Liability				
Trade and other payables	12	1,490,630	1,227,931	820,521
Grants received in advance	13	457,978	–	–
		<u>1,948,608</u>	<u>1,227,931</u>	<u>820,521</u>
Total Liabilities		<u>3,149,509</u>	<u>1,236,031</u>	<u>836,721</u>
Net Assets		<u>20,298,361</u>	<u>20,047,804</u>	<u>19,076,365</u>
Funds of the Foundation:				
Unrestricted Funds				
General Fund		17,696,900	16,986,131	15,610,697
Ghim Moh Fund (Designated)	14	2,553,334	3,028,492	3,388,470
Restricted Fund				
Kwan Im Thong Hood Cho Temple Dialysis Assistance (“KTDA”) Fund	15	24,746	–	–
Research Fund	16	23,381	33,181	77,198
Total Funds		<u>20,298,361</u>	<u>20,047,804</u>	<u>19,076,365</u>
Members' Guarantee	4	<u>300</u>	<u>300</u>	<u>300</u>

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

Statement of Comprehensive Income
Year ended 31 March 2013

		← Restricted →				
	Unrestricted General Fund 2013 \$	Unrestricted Designated Ghim Moh Fund 2013 \$	KTDA Fund 2013 \$	CST Fund 2013 \$	Research Fund 2013 \$	Total 2013 \$
Income/Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income (mainly donations)	3,069,709	3,756	150,000	-	16,200	3,239,665
Funds generating activities	634,248	-	-	-	-	634,248
Investment income	81,546	9,349	232	-	-	91,127
Others	33,190	6,174	-	-	-	39,364
	3,818,693	19,279	150,232	-	16,200	4,004,404
Charitable activities						
Charitable income (mainly dialysis service fee)	3,357,067	1,012,282	-	-	-	4,369,349
Less: subsidies to patients	(1,199,786)	(318,595)	(125,486)	-	-	(1,643,867)
Government subsidies	444,351	121,650	-	121,211	-	687,212
	2,601,632	815,337	(125,486)	121,211	-	3,412,694
Total income/incoming resources	6,420,325	834,616	24,746	121,211	16,200	7,417,098
Expenditure/Resources expended						
<i>Cost of generating funds</i>						
Cost of generating voluntary income	562,641	-	-	-	-	562,641
Cost of fund generating activities	71,182	-	-	-	-	71,182
Amortisation of discount on bonds	(2,362)	-	-	-	-	(2,362)
	631,461	-	-	-	-	631,461
Cost of charitable activities						
Dialysis services and medication cost	4,427,253	1,309,774	-	121,211	-	5,858,238
Research expenses	-	-	-	-	350,000	350,000
Other charitable activities	7,328	-	-	-	-	7,328
	4,434,581	1,309,774	-	121,211	350,000	6,215,566
Governance costs	319,514	-	-	-	-	319,514
Total expenditure/resources expended	5,385,556	1,309,774	-	121,211	350,000	7,166,541
Net income/(loss) for the year/Total comprehensive income for the year/Net incoming/(outgoing) resources	1,034,769	(475,158)	24,746	-	(333,800)	250,557
Gross transfer between funds	(324,000)	-	-	-	324,000	-
Net movement in funds	710,769	(475,158)	24,746	-	(9,800)	250,557
Reconciliation of funds						
Total funds brought forward	16,986,131	3,028,492	-	-	33,181	20,047,804
Total funds carried forward	17,696,900	2,553,334	24,746	-	23,381	20,298,361

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

Kidney Dialysis Foundation Limited
(A Company Limited by Guarantee)

Financial Statements
Year ended 31 March 2012

Statement of Comprehensive Income
Year ended 31 March 2012

	←	Restricted				→
	Unrestricted General Fund 2012 \$	Unrestricted Designated Ghim Moh Fund 2012 \$	KTDA Fund 2012 \$	CST Fund 2012 \$	Research Fund 2012 \$	Total 2012 \$
Income/Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income (mainly donations)	3,156,778	3,666	-	-	26,100	3,186,544
Funds generating activities	1,521,875	-	-	-	-	1,521,875
Investment income	109,699	12,117	-	-	30	121,846
Others	26,480	12	-	-	-	26,492
	4,814,832	15,795	-	-	26,130	4,856,757
Charitable activities						
Charitable income (mainly dialysis service fees)	3,234,500	859,953	-	-	-	4,094,453
Less: subsidies to patients	(1,311,878)	(278,207)	-	-	-	(1,590,085)
Government subsidies	313,108	88,357	-	-	-	401,465
	2,235,730	670,103	-	-	-	2,905,833
	7,050,562	685,898	-	-	26,130	7,762,590
Total income/incoming resources						
Expenditure/Resources expended						
<i>Cost of generating funds</i>						
Cost of generating voluntary income	597,322	-	-	-	-	597,322
Cost of fund generating activities	230,427	-	-	-	-	230,427
Amortisation of premium on bonds	1,043	-	-	-	-	1,043
	828,792	-	-	-	-	828,792
Cost of charitable activities						
Dialysis services and medication cost	4,233,268	1,045,876	-	-	-	5,279,144
Research expenses	-	-	-	-	350,090	350,090
Other charitable activities	19,985	-	-	-	-	19,985
	4,253,253	1,045,876	-	-	350,090	5,649,219
	313,140	-	-	-	-	313,140
	5,395,185	1,045,876	-	-	350,090	6,791,151
Governance costs						
Total expenditure/resources expended						
*Net income/(loss) for the year/Total comprehensive income for the year/Net incoming/(outgoing) resources	1,655,377	(359,978)	-	-	(323,960)	971,439
Gross transfer between funds	(279,943)	-	-	-	279,943	-
Net movement in funds	1,375,434	(359,978)	-	-	(44,017)	971,439
Reconciliation of funds						
Total funds brought forward	15,610,697	3,388,470	-	-	77,198	19,076,365
Total funds carried forward	16,986,131	3,028,492	-	-	33,181	20,047,804

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

Kidney Dialysis Foundation Limited
(A Company Limited by Guarantee)
Financial Statements
Year ended 31 March 2013

Statement of Cash Flows
Year ended 31 March 2013

		←----- Restricted ----->					
		Unrestricted General Fund 2013 \$	Unrestricted Designated Ghim Moh Fund 2013 \$	KTDA Fund 2013 \$	CST Fund 2013 \$	Research Fund 2013 \$	Total 2013 \$
Cash flows from operating activities							
Net income/(loss) for the year/Total comprehensive income/(loss) for the year/Net incoming/(outgoing) resources		710,769	(475,158)	24,746		(9,800)	250,557
Adjustments for:							
Amortisation of discount on bonds	26	(2,362)	--	--		--	(2,362)
Depreciation of plant and equipment	26	155,010	10,154	--	70,597	--	235,761
Amortisation of intangible assets	26	9,773	3,258	--	--	--	13,031
Amortisation of deferred capital grant	26	(11,746)	(1,215)	--	(70,597)	--	(83,558)
Gain on disposal of plant and equipment	26	(30,000)	--	--	--	--	(30,000)
Interest income	20	(81,546)	(9,349)	(232)	--	--	(91,127)
Operating profit/(loss) before working capital changes		749,898	(472,310)	24,514		(9,800)	292,302
Changes in working capital:							
Trade and other receivables		132,641	(32,635)	--	(27,920)	--	72,086
Trade and other payables		(54,999)	284,098	--	33,600	--	262,699
Grants received in advance		--	--	--	(50,614)	--	(50,614)
Cash flows from/(used in) operating activities		827,540	(220,847)	24,514	(44,934)	(9,800)	576,473
Cash flows from investing activities							
Purchase of plant and equipment	5	(5,560)	(14,100)	--	(585,862)	--	(605,522)
Purchase of intangible assets	6	(18,750)	(6,250)	--	--	--	(25,000)
Proceeds from redemption of quoted bonds	7	750,000	--	--	--	--	750,000
Capital grants received		18,750	6,250	--	--	--	25,000
Proceeds from disposal of plant and equipment		30,000	--	--	--	--	30,000
Interest received		79,559	9,449	226	--	--	89,234
Cash flows from/(used in) investing activities		853,999	(4,651)	226	(585,862)	--	263,712
Cash flows from financing activities							
Grants received during the year	17	--	--	--	1,758,407	--	1,758,407
Cash flows from/(used in) financing activities		--	--	--	1,758,407	--	1,758,407
Net increase/(decrease) in cash and cash equivalents		1,681,539	(225,498)	24,740	1,127,611	(9,800)	2,598,592
Cash and cash equivalents at beginning of year		15,924,524	3,034,641	--	--	33,181	18,992,346
Cash and cash equivalents at end of year	10	17,606,063	2,809,143	24,740	1,127,611	23,381	21,590,938

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

Statement of Cash Flow
Year ended 31 March 2012

	Note	Restricted					Total 2012 \$
		Unrestricted General Fund 2012 \$	Unrestricted Designated Ghim Moh Fund 2012 \$	KFDA Fund 2012 \$	CST Fund 2012 \$	Research Fund 2012 \$	
Cash flows from operating activities							
Net income/(loss) for the year/Total comprehensive income/(loss) for the year/Net incoming/(outgoing) resources		1,375,434	(359,978)	-	-	(44,017)	971,439
Adjustments for:							
Amortisation of premium on bonds	26	1,043	-	-	-	-	1,043
Depreciation of plant and equipment	26	169,924	42,534	-	-	-	212,458
Amortisation of intangible assets	26	8,222	2,042	-	-	-	10,264
Amortisation of deferred capital grant		(8,100)	-	-	-	-	(8,100)
Plant and equipment - donation in kind	5	(42,000)	-	-	-	-	(42,000)
Gain on disposal of plant and equipment	26	(12,712)	(12)	-	-	-	(12,724)
Interest income	20	(109,699)	(12,117)	-	-	(30)	(121,846)
Operating profit/(loss) before working capital changes		1,382,112	(327,531)	-	-	(44,047)	1,010,534
Changes in working capital:							
Trade and other receivables		(159,400)	8,666	-	-	-	(150,734)
Trade and other payables		420,007	(12,597)	-	-	-	407,410
Cash flows from/(used in) operating activities		1,642,719	(331,462)	-	-	(44,047)	1,267,210
Cash flows from investing activities							
Purchase of plant and equipment	5	(60,289)	(2,260)	-	-	-	(62,549)
Purchase of intangible assets	6	-	-	-	-	-	-
Proceeds from redemption of quoted bonds	7	500,000	-	-	-	-	500,000
Proceeds from disposal of plant and equipment		13,000	12	-	-	-	13,012
Interest received		111,285	12,368	-	-	38	123,691
Cash flows from/(used in) investing activities		563,996	10,120	-	-	38	574,154
Net increase/(decrease) in cash and cash equivalents		2,206,715	(321,342)	-	-	(44,009)	1,841,364
Cash and cash equivalents at beginning of year		13,717,809	3,355,983	-	-	77,190	17,150,982
Cash and cash equivalents at end of year	10	15,924,524	3,034,641	-	-	33,181	18,992,346

Non-cash transaction

During the year ended 31 March 2012, plant and equipment with aggregate cost of \$42,000 was donated to the Foundation.

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 June 2013.

1 Domicile and Activities

The Foundation was incorporated in the Republic of Singapore on 1 February 1996 as a company limited by guarantee and is registered as a charity under the Charities Act, Chapter 37. Its registered office is at Block 333 Kreta Ayer Road, #03-33 Singapore 080333.

The Foundation is a registered member of the Ministry of Health's General Fund. The Foundation has also been granted Institution of a Public Character ("IPC") status since February 1996.

The principal activities of the Foundation are those relating to the provision of subsidised and/or free medical treatment and dialysis services for patients suffering from kidney and related illnesses. These activities are funded by donations received from the general public and subsidies from the Government, administered by the Ministry of Health. The Foundation generally does not accept private patients who are financially able to pay for dialysis treatment from private centres.

The Foundation's secondary strategic mission is to identify and support research in the area for the prevention, treatment and cure of kidney and kidney related diseases. The Foundation signed a memorandum of understanding in November 2007 with The National University of Singapore ("NUS") to collaborate in the area of research for the prevention, treatment and cure of kidney and kidney related diseases. To achieve this, a Research Fund is set up to solicit donations to support and fund research for the prevention, treatment and cure of kidney and kidney related diseases.

2 Basis of Preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value as described below.

2.3 Functional and Presentation Currency

The financial statements are presented in Singapore dollars which is the Foundation's functional currency.

2.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

There have been no critical judgments in applying accounting policies that would result in a significant effect on the amounts recognised in the financial statements or assumptions and estimation uncertainties that would have a significant risk of resulting in a material adjustment within the next financial year.

3 Significant Accounting Policies

The Foundation adopted new/revised FRS and interpretation which become effective during the year. The initial adoption of these standards and interpretations did not have a material effect on the financial statements.

The accounting policies set out below have been applied consistently by the Foundation to all periods presented in these financial statements.

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the Foundation at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Financial Instruments

(i) *Non-derivative financial assets*

The Foundation initially recognises loans and receivables and desposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation 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.

The Foundation classifies non-derivative financial assets into the following categories: loans and receivables and held-to-maturity investments.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, except prepayments.

Cash and cash equivalents comprise cash balances and fixed deposits with original maturities of 12 months or less.

Held-to-maturity investments

If the Foundation has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity investments comprise quoted bonds.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation 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.

The Foundation's non-derivative financial liabilities comprise trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3.3 Plant and Equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs directly attributable to bringing the assets to a working condition for their intended use, and an estimate of the cost of dismantling and removing the items and restoring the site on which they are located when the Foundation has an obligation to remove the asset or restore the site. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other income in profit or loss on the date of disposal.

Subsequent costs

The cost of replacing a component of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Foundation, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

Air-conditioners	-	4 years
Computers	-	3 years
Furniture and fittings	-	3 years
Medical equipment	-	4 years
Office equipment	-	3 years
Renovations	-	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and adjusted if appropriate.

Plant and equipment valued at less than \$1,000 are not capitalised and are expensed to profit or loss in the year of acquisition.

3.4 Intangible Assets

Intangible assets that are acquired by the Foundation and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated over the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life for the current and comparative years is as follows:

Software	-	3 years
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Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Impairment

(i) Impairment of financial assets and held-to-maturity investments

A financial asset not carried at fair value through profit or loss and is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Foundation on terms that the Foundation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of debtors, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables and held-to-maturity investment securities

The Foundation considers evidence of impairment for loans and receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investments based on similar risk characteristics.

In assessing collective impairment, the Foundation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) *Impairment of non-financial assets*

The carrying amounts of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Employee Benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expenditure/resource expended in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Foundation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.7 Grants

An unconditional grant and contribution is recognised in profit or loss as other income when the grant becomes receivable.

Government grants and contributions are recognised initially as grants received in advance at their fair value where there is reasonable assurance that they will be received and all required conditions associated with the grants and contributions will be complied with by the Foundation.

These grants and contributions that compensate the Foundation for expenses incurred are recognised in profit or loss as government subsidies on a systematic basis in the same periods in which the expenses are recognised.

Grants and contributions utilised for the purchase/construction of depreciable assets are initially recorded as deferred capital grants on the statement of financial position. Deferred capital grants are then recognised in profit or loss over the periods necessary to match the depreciation in profit or loss over the periods necessary to match the depreciation of the assets purchased or constructed with the related grants and contributions. Upon disposal of the plant and equipment, the balance of the related deferred capital grants is recognised in profit or loss to match the net book value of the assets written off.

Special Employment Credit Scheme

Cash grants received from the government in relation to the Special Employment Credit Scheme are recognised as incoming resources in profit or loss upon receipt.

3.8 Provisions

A provision is recognised if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Operating Leases

When the Foundation has the use of assets under operating leases, payments made under the operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are charged to profit or loss in the accounting period in which they are incurred. These leased assets are not recognised in the Foundation's statement of financial position.

3.9 Funds Structure

(i) General fund

The general fund is available for use at the discretion of the management in furtherance of the Foundation's general objectives and purposes. The fund is available to apply for general purposes of the Foundation as set out in its governing document.

Income generated from assets held and expenditure incurred in a general fund will be presented as unrestricted general income and expenses, respectively.

(ii) Designated funds

The designated fund is available for use at the discretion of the management within particular projects in furtherance of the Foundation's objectives that the management have identified and earmarked.

Designated funds are funds which are part of the unrestricted general fund, but earmarked for a particular project. The designation is made for administrative purposes only and does not contain any legal restrictions in relation to the Foundation's discretion to apply the fund. Management of the Foundation will pass a Director Resolution to approve the designation fund for purposes of a particular project earmarked by the Foundation.

Designated fund is accounted for as part of the Foundation's unrestricted designated funds. Income generated from assets and expenditure held in designated funds will be presented as designated general income and expenses, respectively.

(iii) *Restricted funds*

Restricted fund is a fund subject to specific purpose, declared by the donor(s) or with their authority or created through a legal process, but still within the wider objectives of the Foundation. The restricted fund is available for use at the discretion of the management within specified projects in furtherance of the Foundations' objectives that have been identified by donors of the funds or communicated to donors when sourcing for the funds.

Restricted fund may be a restricted income fund, which is expendable at the discretion of the Foundation in furtherance of some particular aspect(s) of the objects of the Foundation, or may be a capital fund, where the assets are required to be invested or retained for actual use, rather than expended.

Restricted fund has to be separately accounted for. Income generated and expenditure incurred from assets held in a restricted fund will be legally subjected to the restrictions of the fund.

(iv) *Transfer of funds*

Generally, transfers of funds within the Foundation involve the transfer of available funds in the unrestricted funds of the Foundation to the unrestricted designated fund at the discretion of management as and when it is deemed appropriate and in furtherance of the objectives and purposes of the designated funds. Approval of transfers is made through a Director Resolution passed by the management of the Foundation. Management's practice is that no fund transfers are made out of the restricted funds to other funds established by the Foundation. However, unrestricted funds may be spent and transferred to the restricted funds to meet any overspending or deficit in the restricted funds, as approved by management of the Foundation.

3.10 Incoming Resources

(i) *Voluntary income (mainly donations) and funds generating activities*

Voluntary income (mainly donations, including direct appeals, fundraising through newsletters and websites, outright donations and sponsorships) are recognised as income in the period it is received or receivable when and only when all of the following conditions has been satisfied:

- the foundations obtains the right to receive the donation;
- it is probable that the economic benefits comprising the donations will flow to the entity;
and
- the amount of donation can be measured reliably.

Incoming resources from the sale of goods from fund generating raising activities is recognised at the point of sale.

Donations-in-kind are recognised based on their estimated fair values.

Donated services are recognised based on their estimated fair values, with an equivalent amount recognised as an expenditure item or in the relevant asset category upon receipt.

Donated plant and equipment are recognised based on their estimated fair value, with an equivalent amount capitalised and reflected as plant and equipment in the statement of financial position.

The gross incoming resources in relation to funds raised or collected for the Foundation by individuals not employed or contracted by the Foundation, are the proceeds remitted to the Foundation by the organisers of the event, after deducting their expenses.

Donations with restriction and/or conditions attached shall be recognised as income if the restrictions and conditions are under the entity's purview and it is probable that these restrictions and conditions would be met.

(ii) Investment income

Investment income comprises interest income on funds invested and is recognised on an accruals basis, using the effective interest method.

(iii) Charitable income (mainly dialysis service fee)

Income from rendering dialysis services and medication is recognised when the services and medication are rendered.

3.11 Resources Expended

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective categories of incoming resources. Cost comprises direct expenditure including direct staff costs attributable to the relevant category of incoming resources. Where costs cannot be wholly attributable to a category of incoming resources, they have been apportioned on a basis consistent with the use of resources. Such costs relate to support costs which comprise of staff costs of the head office and maintenance of the IT infrastructure.

(i) Allocation of support costs

Support costs comprise staff costs of the head office relating to general management, human resource and administration, budgeting, accounting and finance functions, and maintenance of the IT infrastructure.

The costs have been specifically allocated to charitable activities and governance cost based on an 80:20 ratio, since the Foundation operates one head office that provides the overall governance for the Foundation and four dialysis centres that provide the dialysis services and medication.

No support costs were allocated to research activities.

(ii) Costs of generating funds

The costs of generating funds are those costs attributable to generating income for the Foundation, other than from undertaking charitable activities.

(iii) *Costs of charitable activities*

Costs of charitable activities comprise all costs incurred in undertaking its work in the pursuit of the charitable objects of the Foundation. The total costs of charitable expenditure include an apportionment of support costs.

(iv) *Governance costs*

Governance costs comprise all costs attributable to the general running of the Foundation, associated with the maintenance of the Foundation's governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirements, and include an apportionment of overhead and support costs.

4 *Members' Guarantee*

The Foundation is a company limited by guarantee whereby each member of the Foundation undertakes to meet the debts and liabilities of the Foundation, in the event of its liquidation, to an amount not exceeding \$100 per member.

5 Plant and Equipment

Cost	Air-conditioners \$	Computers \$	Furniture and fittings \$	Medical equipment \$	Office equipment \$	Renovations \$	Total \$
At 1 April 2011	82,912	126,744	245,171	2,016,601	67,451	778,632	3,317,511
Additions	1,450	16,448	1,318	42,000	6,360	36,973	104,549
Disposals	(767)	(28,139)	(320)	(109,681)	(7,375)	—	(146,282)
At 31 March 2012	83,595	115,053	246,169	1,948,920	66,436	815,605	3,275,778
Additions	—	—	40,810	510,100	10,737	43,875	605,522
Disposals	—	(8,259)	(49,016)	(441,273)	(9,371)	(133,991)	(641,910)
At 31 March 2013	83,595	106,794	237,963	2,017,747	67,802	725,489	3,239,390
Accumulated depreciation							
At 1 April 2011	67,023	121,851	245,171	1,632,134	66,161	778,632	2,910,972
Depreciation for the year	10,540	4,653	146	188,942	2,093	6,084	212,458
Disposals	(479)	(28,139)	(320)	(109,681)	(7,375)	—	(145,994)
At 31 March 2012	77,084	98,365	244,997	1,711,395	60,879	784,716	2,977,436
Depreciation for the year	3,787	7,773	8,241	191,425	3,679	20,856	235,761
Disposals	—	(8,259)	(49,016)	(441,273)	(9,371)	(133,991)	(641,910)
At 31 March 2013	80,871	97,879	204,222	1,461,547	55,187	671,581	2,571,287
Carrying amounts							
At 1 April 2011	15,889	4,893	—	384,467	1,290	—	406,539
At 31 March 2012	6,511	16,688	1,172	237,525	5,557	30,889	298,342
At 31 March 2013	2,724	8,915	33,741	556,200	12,615	53,908	668,103

6 Intangible Assets

	Software \$
Cost	
At 1 April 2011 and 31 March 2012	167,095
Additions	25,000
Disposal	<u>(51,157)</u>
At 31 March 2013	<u>140,938</u>
Accumulated amortisation	
At 1 April 2011	144,313
Amortisation for the year	<u>10,264</u>
At 31 March 2012	154,577
Amortisation for the year	13,031
Disposal	<u>(51,157)</u>
At 31 March 2013	<u>116,451</u>
Carrying amounts	
At 31 March 2011	<u>22,782</u>
At 31 March 2012	<u>12,518</u>
At 31 March 2013	<u>24,487</u>

7 Investments - Quoted Bonds

	2013 \$	2012 (restated) \$	2011 (restated) \$
Carrying value at beginning of year	1,496,902	1,997,945	1,999,974
Less: Redemption at carrying value	(750,000)	(500,000)	-
Less: Amortisation of discount/(premium) during the year	<u>2,362</u>	<u>(1,043)</u>	<u>(2,029)</u>
Carrying value at end of year	<u>749,264</u>	<u>1,496,902</u>	<u>1,997,945</u>
Classified as			
Non-current	250,000	755,074	1,501,462
Current	499,264	741,828	496,483
	<u>749,264</u>	<u>1,496,902</u>	<u>1,997,945</u>
Market value	<u>761,225</u>	<u>1,528,050</u>	<u>2,063,725</u>

Quoted bonds classified as held-to-maturity, earns fixed interest at rates ranging from 2.16% to 4.15% per annum during the current and previous years, and mature in one to three years. They are held to provide an investment return to the Foundation.

All investments of the Foundation are invested in Singapore enterprises and denominated in Singapore dollars.

8 Trade and Other Receivables

	Note	2013 \$	2012 \$
Trade receivables	9	206,377	173,449
Interest receivable		38,272	34,834
Other receivables		82,984	166,470
Deposits		83,251	101,231
Loans and receivables		410,884	475,984
Prepayments		4,194	7,743
		415,078	483,727

9 Trade Receivables

	2013 \$	2012 \$
Trade receivables	209,487	180,372
Less: Impairment loss in relation to trade receivables	(3,110)	(6,923)
	206,377	173,449

The change in impairment loss in respect of trade receivables during the year is as follows:

	2013 \$	2012 \$
At 1 April	6,923	4,164
Allowance utilised	(4,664)	(3,735)
Net allowance made during the year	851	6,494
At 31 March	3,110	6,923

The ageing of loans and receivables at the reporting date is:

	<----- 2013 ----->		<----- 2012 ----->	
	Gross	Impairment	Gross	Impairment
	\$	losses \$	\$	losses \$
Not past due	396,720	-	337,804	-
Past due 0 – 30 days	13,609	-	135,218	-
Past due 31 – 60 days	-	-	-	-
Past due 61 – 90 days	1,677	1,122	-	-
Past due more than 90 days	1,988	1,988	9,885	6,923
	413,994	3,110	482,907	6,923

The Foundation's primary exposure to credit risk arises through its trade and other receivables. As at 31 March 2013, concentration of credit risk mainly relates to amounts receivable from insurance providers which accounts for approximately 53% (2012: 47%) of loans and receivables. The Foundation's historical experience in the collection of loans and receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Foundation's receivables.

10 Cash and Cash Equivalents

	2013	2012
	\$	\$
Fixed deposits	19,940,151	17,872,142
Cash at bank and in hand	1,650,787	1,120,204
Cash and cash equivalents	<u>21,590,938</u>	<u>18,992,346</u>

The effective interest rates per annum relating to fixed deposits at the reporting date range from 0.05% to 0.53% (2012: 0.05% to 0.51%) per annum. The fixed deposits mature at intervals of one to twelve months.

11 Deferred Capital Grants

	Note	2013	2012
		\$	\$
At 1 April		8,100	16,200
Add:			
Capital grants received during the year		25,000	-
Grants received for capital expenditure transferred from grants received in advance	13	585,862	-
		610,862	-
Less:			
- Amortisation during the year		(83,558)	(8,100)
At 31 March		<u>535,404</u>	<u>8,100</u>

12 Trade and Other Payables

	2013	2012
	\$	\$
Trade payables	395,510	352,425
Other payables	273,259	252,183
Output GST	8,987	7,964
Accrued operating expenses	177,502	222,136
Deposit received from a supplier	622,206	382,590
Unutilised annual leave	13,166	10,633
	<u>1,490,630</u>	<u>1,227,931</u>

13 Grants received in advance

	Note	2013 \$	2012 \$
Balance at the beginning of the year		–	–
Grants received during the year		1,758,407	–
Amount transferred to deferred capital grant	11	(585,862)	–
Amount transferred to statement of comprehensive income		(49,070)	–
Balance at the end of the year	17	1,123,475	–
Classified as			
Non-current		665,497	–
Current		457,978	–
		1,123,475	–

14 Unrestricted Ghim Moh Fund (Designated)

The Ghim Moh Fund was set up in August 2006 with a donation received from the Khoo Foundation for the development of a new haemodialysis centre in Ghim Moh (“GMDC”). The donation received of \$5,000,000 has been allocated by the directors as follows: \$1,300,000 for the development of GMDC and the balance of \$3,700,000 for the operations of the GMDC. The fund also consists of income generated mainly through the provision of dialysis services at established centre and receipt of government subsidies. The fund is currently used to meet the operating costs of the GMDC.

15 Restricted Kwan Im Thong Hood Cho Temple Dialysis Assistance Fund

The Kwan Im Thong Hood Cho Temple Dialysis Assistance Fund was set up in May 2012 with a donation received of \$150,000 from Kwan Im Thong Hood Cho Temple. The donation is used to subsidise patients’ dialysis treatment fees.

16 Restricted Research Fund

The Research Fund consist of donations solicited and received by the Foundation for the purpose of supporting and funding research in the area for the prevention, treatment and cure of kidney and kidney related diseases. In the memorandum of understanding with The National University of Singapore, the Foundation had identified research projects which will be funded from donations from the Research Fund. Donations from the Research Fund will be channelled to the KDF-NUS Research Fund. A gift agreement was signed in July 2011 with a pledge of \$1,750,000 towards the KDF-NUS Research Fund over a period of five years commencing from the financial year ended 31 March 2012. An amount of \$350,000 was paid in the current financial year. The payment for the pledge of \$350,000 each year is conditional upon the Foundation receiving from NUS, the recommendation by the selection and review committee, to support the research projects. Either party may terminate the gift agreement by giving the other party written notice of at least twelve months of its intention to terminate.

During the current financial year, the Foundation transferred an amount of \$324,000 (2012: \$279,943) from the Unrestricted General Fund to the Restricted Research Fund in order to meet shortfalls on grant payments made during the year. The transfer had been approved at the Annual General Meeting held on 4 July 2012.

17 Restricted Community Silver Trust Fund

The Community Silver Trust Fund was set up in November 2012 through a government grant of \$1,758,407 received from the Trustees of the Community Silver Trust. The Community Silver Trust is managed by the Ministry of Health on behalf of the Trustees. The grant from the fund is used to improve the capability and enhancement of existing services to achieve higher quality care and affordable step down care.

	Note	2013 \$	2012 \$
Balance at beginning of year		–	–
Add: Receipts			
- Community Silver Trust – Matching Grant		1,758,407	–
- Interest earned from fixed deposit		1,544	–
Less: Expenditure			
- Purchase of plant and equipment		(585,862)	–
- Manpower cost for nurse clinicians		(41,331)	–
- Staff training expenses		(9,283)	–
Balance at the end of year		<u>1,123,475</u>	–
Represented by:			
Grants received in advance	13	<u>1,123,475</u>	–

18 Restriction on Distribution of Reserves

The Foundation's Memorandum of Association provides that no portion of the income and property of the Foundation shall be paid by way of dividend, bonus or otherwise to the members of the Foundation.

19 Incoming Resources from Generated Funds

During the year ended 31 March, donations included in voluntary income and income from fund generating activities and charitable income are donations for which tax-exempt receipts have been issued are:

Donation Schedules	Dialysis \$	Research \$	Total \$
2013			
Tax-deductible donations	3,613,160	15,700	3,628,860
Non tax-deductible donations	256,653	500	257,153
	3,869,813	16,200	3,886,013
2012			
Tax-deductible donations	4,354,795	23,900	4,378,695
Non tax-deductible donations	374,380	2,200	376,580
	4,729,175	26,100	4,755,275

Donated services

The Foundation receives professional services from doctors and lawyers on a voluntary basis. Honorarium totalling \$102,600 (2012: \$101,200) for 13 (2012: 13) volunteer doctors was paid directly to the restructured hospitals and volunteer doctors for the services rendered.

20 Investment Income

	2013 \$	2012 \$
Interest income:		
- cash and cash equivalents	64,564	56,328
- quoted bonds	28,107	65,518
	92,671	121,846

21 Charitable Income

	2013 \$	2012 \$
Donations	12,100	46,856
Dialysis services and medication	4,357,249	4,047,597
	4,369,349	4,094,453
Less: Subsidies to patients	(1,643,867)	(1,590,085)
	2,725,482	2,504,368

22 Government Subsidies

The Foundation receives government subsidies on dialysis services provided to patients who meet the Ministry of Health's criteria for subsidised haemodialysis and peritoneal dialysis. The government subsidies received for peritoneal dialysis are remitted to the peritoneal dialysis solution provider.

Amounts received for haemodialysis subsidies are recognised in profit or loss in the same period as the related expenditure.

23 Costs of Generating Voluntary Income

	2013	2012
	\$	\$
Direct mail materials	300,981	299,512
Staff costs	220,619	243,840
Admin and operating expenses	41,041	53,970
	<u>562,641</u>	<u>597,322</u>

24 Costs of Charitable Activities – Dialysis services and medication cost

	2013	2012
	\$	\$
Expenditure paid to dialysis service provider and medication expenditure	4,579,170	4,190,962
Honorarium	102,600	101,200
Staff costs	490,234	356,460
Depreciation of plant and equipment	227,763	203,109
Amortisation of intangible assets	13,031	8,253
Rental and utilities	193,967	199,045
Non-claimable GST input tax	166,668	137,898
Repair and maintenance expense	32,327	20,854
Patient welfare expenses	14,995	15,254
Admin and operating expenses	37,483	46,109
	<u>5,858,238</u>	<u>5,279,144</u>

25 Governance Costs

	2013	2012
	\$	\$
Staff costs	141,316	117,249
Depreciation of plant and equipment	7,998	9,349
Amortisation of intangible assets	-	2,011
Rental and utilities	20,681	25,627
Non-claimable GST input tax	18,838	23,593
Repair and maintenance expense	25,222	27,016
Admin and operating expenses	105,459	108,295
	<u>319,514</u>	<u>313,140</u>

26 Net income/(loss) for the year/Net incoming/(outgoing) resources

Net income/(loss) for the year/Net incoming/(outgoing) resources includes the following:

	Note	2013	2012
		\$	\$
Staff costs			
Wages and salaries		802,298	787,796
Contributions to Central Provident Fund		115,521	102,979
Staff bonus		111,166	67,988
		<u>1,028,985</u>	<u>958,763</u>
Reimbursements by dialysis service providers		<u>(215,202)</u>	<u>(258,600)</u>
		<u>813,783</u>	<u>700,163</u>
Amortisation of premium on bonds	7	(2,362)	1,043
External audit fees		30,000	27,000
Internal audit fees		17,530	16,000
Bad debt recovered		-	(860)
Bad debts written off		850	4,018
Depreciation of plant and equipment	5		
- General fund		155,010	169,924
- Ghim Moh fund		10,154	42,534
- Community Silver Trust fund		70,597	-
Amortisation of intangible assets	6		
- General fund		9,773	8,222
- Ghim Moh fund		3,258	2,042
Gain on disposal of plant and equipment		(30,000)	(12,724)
Net impairment loss allowance in relation to doubtful receivables	9	851	6,494
Operating lease expense		34,483	34,394
Government grants – capital grant	11	(83,558)	(8,100)
Other government grants		(125,498)	-
Special Employment Credit Scheme		(3,868)	-

The Foundation employs experienced dialysis and patient services staff to oversee and monitor the services of the dialysis provider and staff costs relating to these staff will be reimbursed by the Foundation's dialysis service providers in accordance with the terms of their supply agreements with the Foundation.

27 Taxation

The Foundation is registered as a charity under the Charities Act, Chapter 37. With effect from YA2008, all registered charities are not required to file income tax returns and will enjoy automatic income tax exemption without having the need to meet the 80% spending rule. No provision for taxation has been made in the Foundation's financial statements.

28 Related Party Transactions

Key management compensation

For the purpose of these financial statements, parties are considered to be related to the Foundation if the Foundation has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Foundation and party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel, who are the trustees/office bearers, of the Foundation are those persons having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The directors, the Chief Executive Officer and the General Manager are considered as key management personnel of the Foundation. The directors of the Foundation render their services on a voluntary basis and do not receive any remuneration. However, the Chief Executive Officer and the General Manager received remuneration that is approved by the Board of Directors.

	Salaries	AWS and variable bonus	Contributions to Central Provident Fund	Other benefits	Total
	\$	\$	\$	\$	\$
31 March 2013					
Chief Executive Officer*	63,318	7,044	3,485	1,440	75,287
General Manager	69,000	12,000	9,012	–	90,012
	132,318	19,044	12,497	1,440	165,299
31 March 2012					
Chief Executive Officer*	88,200	8,850	4,205	1,920	103,175
General Manager	66,000	7,000	7,630	–	80,630
	154,200	15,850	11,835	1,920	183,805

During the financial year, no key management personnel received any reimbursement of expenses, allowances or any other forms of payments, except as described in the above paragraph.

*The Chief Executive Officer has resigned on 14 December 2012.

Other related party transactions

The aggregate value of transactions and outstanding balances with key management personnel and entities over which they have control or significant influence were as follows:

Type of services rendered	Transaction value for the year ended 31 March		Balance outstanding as at 31 March	
	2013	2012	2013	2012
	\$	\$	\$	\$
Internal audit services	17,530	16,000	4,281	–

A director of the Foundation is also on the board of directors of a non-profit organisation, Shared Services for Charities Limited. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

Loans

Due from related party

Name of related party	Relationship to charity	Loan amount	Amount repaid		Amount owing as at 31 March	
			2013	2012	2013	2012
		\$	\$	\$	\$	\$
Lee Mee Lin	staff	2,500	200	2,300	–	200

During the last financial year, the Foundation granted a loan to the staff for a bridging course on Graduate Diploma on Social Work Programme. The Human Resource Committee approved the loan in August 2011. The loan was interest free and was repaid within one year.

Other than the above, there are no other related party transactions during the year.

29 Financial Risk Management

Overview

The Foundation has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

This note presents information about the Foundation's exposure to the above risks, the Foundation's objectives, policies and processes for measuring and managing risk, and the Foundation's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Foundation's risk management framework. The Board has established the Audit Committee, which is responsible for developing and monitoring the Foundation's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Foundation's risk management policies are established to identify and analyse the risks faced by the Foundation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Foundation's activities. The Foundation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Foundation's Audit Committee oversees how management monitors compliance with the Foundation's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Foundation. The Foundation's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Foundation if a counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Foundation's quoted bonds, cash and cash equivalents and trade and other receivables.

At the reporting date, there is no significant concentration of credit risk, apart from all of fixed deposits which are placed with a single financial institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Management regularly monitors the recoverability of its financial assets and believes that it has adequately provided for any exposure to potential losses.

Investments

In a bid to manage its credit risk, the Foundation only invests in government bonds or bonds of organisations with a minimum credit rating of "AAA" (Standard and Poor) or equivalent. Given that the Foundation only has invested in securities with high credit ratings and placed fixed deposits with reputable financial institutions, management does not expect any counterparty to fail to meet its obligations.

Trade and other receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Foundation establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The Foundation held cash and cash equivalents of \$21,590,938 at 31 March 2013 (2012: \$18,992,346), which represents its maximum credit exposure on these assets. Cash and fixed deposits are placed with banks and financial institutions in Singapore which are regulated. At the balance sheet date, 100% (2012:100%) of the cash and cash equivalents are placed with financial institutions with credit-rating of A-1+ (2012: A-1+).

Liquidity risk

The Foundation has minimal exposure to liquidity risk as its operations are funded by government grants and subsidies, as well as donations from corporations and individuals. The Foundation has ensured sufficient liquidity through the holding of highly liquid assets in the form of cash and cash equivalents at all times to meet its financial obligations when they fall due.

Fixed deposits are placed with reputable financial institutions, which yield better returns than cash at bank. The fixed deposits generally have short-term maturities so as to provide the Foundation with the flexibility to meet working capital needs. All fixed deposits mature within one year.

The undiscounted cash flow of the Group's financial liabilities (comprising trade and other payables and grants received in advance) at the reporting date approximate the carrying amounts and are expected to be settled within the next 12 months and are classified as other financial liabilities.

Market risk

Market risk is the risk that changes in market prices, such as interest rate and equity prices will affect the Foundation's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

The Foundation's exposure to market risk for changes in interest rates relates primarily to the Foundation's investment portfolio. The Foundation does not account for any fixed rate financial assets at fair value through profit or loss, and the Foundation does not enter into any hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect the Foundation's profit or loss.

Profile

At the reporting date, the interest rate profile of the Foundation's interest-bearing financial instruments was as follows:

	Carrying amount 2013 \$	Carrying amount 2012 \$
Fixed rate instruments		
Fixed deposits	19,940,151	17,872,142
Investments – Quoted Bonds	749,264	1,496,902
	20,689,415	19,369,044

Foreign currency risk

The financial assets and liabilities of the Foundation are primarily denominated in Singapore dollars. The Foundation has no significant exposure to foreign currency risk.

Capital management

The Foundation defines “capital” to be the unrestricted funds and restricted funds. The primary objective of the Foundation is to ensure that it maintains a healthy capital position through donations and government grants to sustain its operations.

There are no changes in the Foundation's approach to capital management during the year. The Foundation is not subject to any externally imposed capital requirements.

Determination of fair values

Investments

In order to determine the fair value of the bond investments, management used a valuation technique in which all significant inputs were based on observable market data (Level 2).

Estimating the fair values

The fair values of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of their short period to maturity.

Fair value versus carrying amounts

The fair values of recognised financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows:

	Note	Held-to-maturity \$	Loans and receivables \$	Other financial liabilities \$	Total carrying amount \$	Fair value \$
31 March 2013						
Cash and cash equivalents	10	–	21,590,938	–	21,590,938	21,590,938
Loans and other receivables (excluding prepayments)	8	–	410,884	–	410,884	410,884
Investments – Quoted bonds	7	749,264	–	–	749,264	761,225
		<u>749,264</u>	<u>22,001,822</u>	<u>–</u>	<u>22,751,086</u>	<u>22,763,047</u>
Trade and other payables	12	–	–	(1,490,630)	(1,490,630)	(1,490,630)
Grants received in advance	13	–	–	(1,121,931)	(1,121,931)	(1,121,931)
		<u>–</u>	<u>–</u>	<u>(2,612,561)</u>	<u>(2,612,561)</u>	<u>(2,612,561)</u>
	Note	Held-to-maturity \$	Loans and receivables \$	Other financial liabilities \$	Total carrying amount \$	Fair value \$
31 March 2012						
Cash and cash equivalents	10	–	18,992,346	–	18,992,346	18,992,346
Loans and other receivables (excluding prepayments)	8	–	475,984	–	475,984	475,984
Investments – Quoted bonds	7	1,496,902	–	–	1,496,902	1,528,050
		<u>1,496,902</u>	<u>19,468,330</u>	<u>–</u>	<u>20,965,232</u>	<u>20,996,380</u>
Trade and other payables	12	–	–	(1,227,931)	(1,227,931)	(1,227,931)

30 Comparative information

The prior year balance sheets have been restated to take into account the reclassifications of current investments. The effect of the reclassification is set out below

Effect of prior year reclassification

	Increase/ (Decrease)	
	2012	2011
	\$	\$
<i>Statements of financial position</i>		
Investments – Quoted bonds (non-current)	(741,828)	(496,483)
Investments – Quoted bonds (current)	741,828	496,483
	741,828	496,483

A portion of the Foundation’s non-current investments in prior years were reclassified to current investments so as to match against the maturity dates of the bonds.

Supplementary Information – Balance Sheet

	Unrestricted		←———Restricted———→			Total \$
	Unrestricted General Fund \$	Designated Ghim Moh Fund \$	KTDA Fund \$	CST Fund \$	Research Fund \$	
2013						
Non-current assets						
Plant and equipment	135,907	16,931	—	515,265	—	668,103
Intangible assets	18,366	6,121	—	—	—	24,487
Investment - Quoted bonds	250,000	—	—	—	—	250,000
Total non-current assets	404,273	23,052	—	515,265	—	942,590
Current assets						
Investment - Quoted bonds	499,264	—	—	—	—	499,264
Trade and other receivables	308,577	77,031	6	29,464	—	415,078
Cash and cash equivalents	17,606,063	2,809,143	24,740	1,127,611	23,381	21,590,938
Total current assets	18,413,904	2,886,174	24,746	1,157,075	23,381	22,505,280
Total assets	18,818,177	2,909,226	24,746	1,672,340	23,381	23,447,870
Non-current liabilities						
Deferred capital grants	15,104	5,035	—	515,265	—	535,404
Grants received in advance	—	—	—	665,497	—	665,497
	15,104	5,035	—	1,180,762	—	1,200,901
Current liabilities						
Trade and other payables	1,106,173	350,857	—	33,600	—	1,490,630
Grants received in advance	—	—	—	457,978	—	457,978
	1,106,173	350,857	—	491,578	—	1,948,608
Total liabilities	1,121,277	355,892	—	1,672,340	—	3,149,509
Net assets	17,696,900	2,553,334	24,746	—	23,381	20,298,361
2012						
Non-current assets						
Plant and equipment	285,357	12,985	—	—	—	298,342
Intangible assets	9,389	3,129	—	—	—	12,518
Investment - Quoted bonds	755,074	—	—	—	—	755,074
Total non-current assets	1,049,820	16,114	—	—	—	1,065,934
Current assets						
Investment - Quoted bonds	741,828	—	—	—	—	741,828
Trade and other receivables	439,261	44,466	—	—	—	483,727
Cash and cash equivalents	15,924,494	3,034,671	—	—	33,181	18,992,346
Total current assets	17,105,583	3,079,137	—	—	33,181	20,217,901
Total assets	18,155,403	3,095,251	—	—	33,181	21,283,835
Non-current liabilities						
Deferred capital grants	8,100	—	—	—	—	8,100
Current liabilities						
Trade and other payables	1,161,172	66,759	—	—	—	1,227,931
Total liabilities	1,169,272	66,759	—	—	—	1,236,031
Net assets	16,986,131	3,028,492	—	—	33,181	20,047,804

Supplementary Information – Income Generating Activities and Related Costs

Voluntary Income and Cost of Generating Voluntary Income

<u>Activity</u>	Income		Expenses*	
	2013	2012	2013	2012
	\$	\$	\$	\$
Direct appeal	1,352,231	1,169,332	(267,776)	(256,831)
Communications, such as newsletters and website	831,187	760,091	(156,988)	(184,361)
Outright and sponsorships	662,573	1,025,928	(64,612)	(72,744)
Research	16,200	26,100	(10,466)	(11,912)
Others	377,474	205,093	(62,799)	(71,474)
Total	3,239,665	3,186,544	(562,641)	(597,322)

* Expenses pertaining to staff costs and administrative and operating expenses of resource development and communication department are apportioned and allocated to the individual activities based on duration of the activities.

Funds Generating Activities and Cost of Funds Generating Activities

<u>Activity</u>	Income		Expenses	
	2013	2012	2013	2012
	\$	\$	\$	\$
Lunar 7 th month	258,938	238,869	(44,165)	(35,414)
Flag day	52,546	75,644	(12,180)	(5,312)
Amazing kidney race/feats	–	66,070	–	(14,245)
Donation boxes/Pledge cards	21,485	21,833	(1,841)	(2,105)
Celebration 85	–	668,920	–	(129,049)
Others	301,279	450,539	(12,996)	(44,302)
Total	634,248	1,521,875	(71,182)	(230,427)

FS33 to FS34 do not form part of the Foundation's financial statements.

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