



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

Annual Report
Year ended 31 March 2014

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 2014.

Directors

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

Dr Gordon Ku, Chairman
Cheng Wai Keung
Stephen Lee Ching Yen
Watson Ong Choon Huat
Yeoh Oon Jin
Peter Tan Sim Cheng
Bernie Poh Boon Nee
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 patients who are financially able to pay for dialysis treatment at 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. In July 2011, the Foundation continued the collaboration with NUS with the signing of a 5-year gift agreement at an annual pledge of \$350,000.

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.

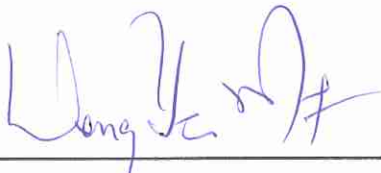
Auditors

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

26 June 2014

Statement by Directors

In our opinion:

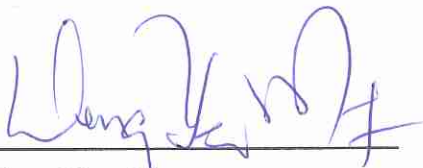
- (a) the financial statements set out on pages FS1 to FS31 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 March 2014 and the results, changes in funds and cash flows of the Foundation for the year ended on that date in accordance with the provisions 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

26 June 2014



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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 2014, the statement of comprehensive income, statement of changes in funds 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 FS31.

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, Charities (Institutions of a Public Character) Regulations 2007, Charities (Institutions of a Public Character) (Amendment) Regulations 2008 (collectively, the "Rules") 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 judgment, 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 Rules and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Foundation as at 31 March 2014 and the results, changes in funds 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 LLP

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
26 June 2014

Statement of Financial Position
As at 31 March 2014

	Note	2014 \$	2013 \$
Non-Current Assets			
Plant and equipment	5	477,906	668,103
Intangible assets	6	35,781	24,487
Investments – Quoted bonds	7	–	250,000
Total Non-Current Assets		513,687	942,590
Current Assets			
Investments – Quoted bonds	7	250,000	499,264
Trade and other receivables	8	758,387	415,078
Cash at bank	10	22,927,234	21,590,938
Total Current Assets		23,935,621	22,505,280
Total Assets		24,449,308	23,447,870
Non-Current Liability			
Deferred capital grants	11	262,238	535,404
Grants received in advance	12	–	665,497
		262,238	1,200,901
Current Liability			
Trade and other payables	13	1,655,039	1,490,630
Deferred capital grants	11	190,570	–
Grants received in advance	12	951,999	457,978
		2,797,608	1,948,608
Total Liabilities		3,059,846	3,149,509
Net Assets		21,389,462	20,298,361
Funds of the Foundation:			
Unrestricted Funds			
General Fund		19,158,648	17,696,900
Ghim Moh Fund (Designated)	14	2,070,735	2,553,334
Restricted Fund			
Kwan Im Thong Hood Cho Temple Dialysis Assistance (“KTDA”) Fund	15	134,848	24,746
Research Fund	16	25,231	23,381
Total Funds		21,389,462	20,298,361
Members' Guarantee	4	300	300

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

Statement of Comprehensive Income
Year ended 31 March 2014

Note	<----- Restricted ----->					Total 2014
	Unrestricted General Fund 2014	Unrestricted Designated Ghim Moh Fund 2014	KTDA Fund 2014	Research Fund 2014	Restricted CST Fund 2014	
	\$	\$	\$	\$	\$	\$
Income/Incoming resources						
<i>Incoming resources from generated funds</i>						
19	3,720,782	5,441	150,000	1,850	—	3,878,073
19	697,734	—	—	—	—	697,734
20	69,997	9,219	135	—	—	79,351
	720	20	—	—	—	740
	<u>4,489,233</u>	<u>14,680</u>	<u>150,135</u>	<u>1,850</u>	<u>—</u>	<u>4,655,898</u>
<i>Charitable activities</i>						
21	3,571,723	1,532,703	—	—	—	5,104,426
21	(1,343,861)	(473,527)	(40,033)	—	—	(1,857,421)
22	703,544	271,654	—	—	250,474	1,225,672
	<u>2,931,406</u>	<u>1,330,830</u>	<u>(40,033)</u>	<u>—</u>	<u>250,474</u>	<u>4,472,677</u>
Total income/incoming resources	<u>7,420,639</u>	<u>1,345,510</u>	<u>110,102</u>	<u>1,850</u>	<u>250,474</u>	<u>9,128,575</u>
Expenditure/Resources expended						
<i>Cost of generating funds</i>						
23	599,300	—	—	—	—	599,300
	90,534	—	—	—	—	90,534
	(736)	—	—	—	—	(736)
	<u>689,098</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>689,098</u>
<i>Cost of charitable activities</i>						
24	4,566,041	1,828,109	—	—	250,474	6,644,624
	—	—	—	350,252	—	350,252
	3,906	—	—	—	—	3,906
	<u>4,569,947</u>	<u>1,828,109</u>	<u>—</u>	<u>350,252</u>	<u>250,474</u>	<u>6,998,782</u>
25	349,594	—	—	—	—	349,594
Total expenditure/resources expended	<u>5,608,639</u>	<u>1,828,109</u>	<u>—</u>	<u>350,252</u>	<u>250,474</u>	<u>8,037,474</u>
26	1,812,000	(482,599)	110,102	(348,402)	—	1,091,101

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

Statement of Comprehensive Income
Year ended 31 March 2013

Note	←----- Restricted ----->					Total 2013
	Unrestricted General Fund 2013	Unrestricted Designated Ghim Moh Fund 2013	KTDA Fund 2013	Research Fund 2013	Restricted CST Fund 2013	
	\$	\$	\$	\$	\$	\$
Income/Incoming resources						
<i>Incoming resources from generated funds</i>						
19	3,069,709	3,756	150,000	16,200	–	3,239,665
19	634,248	–	–	–	–	634,248
20	81,546	9,349	232	–	–	91,127
	33,190	6,174	–	–	–	39,364
	<u>3,818,693</u>	<u>19,279</u>	<u>150,232</u>	<u>16,200</u>	<u>–</u>	<u>4,004,404</u>
<i>Charitable activities</i>						
21	3,357,067	1,012,282	–	–	–	4,369,349
21	(1,199,786)	(318,595)	(125,486)	–	–	(1,643,867)
22	444,351	121,650	–	–	121,211	687,212
	<u>2,601,632</u>	<u>815,337</u>	<u>(125,486)</u>	<u>–</u>	<u>121,211</u>	<u>3,412,694</u>
Total income/incoming resources	<u>6,420,325</u>	<u>834,616</u>	<u>24,746</u>	<u>16,200</u>	<u>121,211</u>	<u>7,417,098</u>
Expenditure/Resources expended						
<i>Cost of generating funds</i>						
23	562,641	–	–	–	–	562,641
	71,182	–	–	–	–	71,182
	(2,362)	–	–	–	–	(2,362)
	<u>631,461</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>631,461</u>
<i>Cost of charitable activities</i>						
24	4,427,253	1,309,774	–	–	121,211	5,858,238
	–	–	–	350,000	–	350,000
	7,328	–	–	–	–	7,328
	<u>4,434,581</u>	<u>1,309,774</u>	<u>–</u>	<u>350,000</u>	<u>121,211</u>	<u>6,215,566</u>
25	319,514	–	–	–	–	319,514
Total expenditure/resources expended	<u>5,385,556</u>	<u>1,309,774</u>	<u>–</u>	<u>350,000</u>	<u>121,211</u>	<u>7,166,541</u>
Net income/(loss) for the year, representing total comprehensive income for the year	<u>1,034,769</u>	<u>(475,158)</u>	<u>24,746</u>	<u>(333,800)</u>	<u>–</u>	<u>250,557</u>

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

Statement of Changes in Funds
Year ended 31 March 2014

	<----- Restricted ----->				Total 2014 \$
	Unrestricted General Fund 2014 \$	Unrestricted Designated Ghim Moh Fund 2014 \$	KTDA Fund 2014 \$	Research Fund 2014 \$	
At 1 April 2012	16,986,131	3,028,492	-	33,181	20,047,804
Gross transfer between funds	(324,000)	-	-	324,000	-
Net income/(loss) for the year, representing total comprehensive income for the year	1,034,769	(475,158)	24,746	(333,800)	250,557
At 31 March 2013	17,696,900	2,553,334	24,746	23,381	20,298,361
Gross transfer between funds	(350,252)	-	-	350,252	-
Net income/(loss) for the year, representing total comprehensive income for the year	1,812,000	(482,599)	110,102	(348,402)	1,091,101
At 31 March 2014	19,158,648	2,070,735	134,848	25,231	21,389,462

Statement of Cash Flows
Year ended 31 March 2014

Note	<----- Restricted ----->					Total 2014 \$
	Unrestricted General Fund 2014 \$	Unrestricted Designated Ghim Moh Fund 2014 \$	KTDA Fund 2014 \$	Research Fund 2014 \$	Restricted CST Fund 2014 \$	
Cash flows from operating activities						
26	1,812,000	(482,599)	110,102	(348,402)	–	1,091,101
Net income/(loss) for the year						
Adjustments for:						
	(350,252)	–	–	350,252	–	–
Gross transfer between funds						
26	(736)	–	–	–	–	(736)
Amortisation of discount on bonds						
5	107,928	8,202	–	–	170,237	286,367
Depreciation of plant and equipment						
26	9,511	3,170	–	–	7,525	20,206
Amortisation of intangible assets						
11	(8,334)	–	–	–	(177,762)	(186,096)
Amortisation of deferred capital grant						
20	(69,997)	(9,219)	(135)	–	–	(79,351)
Investment income						
	1,500,120	(480,446)	109,967	1,850	–	1,131,491
Operating profit/(loss) before working capital changes						
Changes in working capital:						
	(166,795)	(201,221)	(95)	–	3,471	(364,640)
Trade and other receivables						
	142,026	55,984	–	–	(33,600)	164,410
Trade and other payables						
	–	–	–	–	(72,711)	(72,711)
Grants received in advance						
	1,475,351	(625,683)	109,872	1,850	(102,840)	858,550
Cash flows from/(used in) operating activities						
Cash flows from investing activities						
5	(15,520)	(8,650)	–	–	(72,000)	(96,170)
Purchase of plant and equipment						
6	–	–	–	–	(31,500)	(31,500)
Purchase of intangible assets						
7	500,000	–	–	–	–	500,000
Proceeds from redemption of quoted bonds						
	(2,117,690)	559,282	(110,007)	–	201,605	(1,466,810)
Placement of fixed deposits with banks						
	91,305	9,241	135	–	4,735	105,416
Interest received						
	(1,541,905)	559,873	(109,872)	–	102,840	(989,064)
Cash flows (used in)/from investing activities						
	(66,554)	(65,810)	–	1,850	–	(130,514)
Net (decrease)/increase in cash and cash equivalents						
	5,089,795	509,143	–	23,381	–	5,622,319
Cash and cash equivalents at beginning of year						
10	5,023,241	443,333	–	25,231	–	5,491,805
Cash and cash equivalents at end of year						

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

**Statement of Cash Flows
Year ended 31 March 2013**

Note	←----- Restricted ----->					Total 2013 \$
	Unrestricted General Fund 2013 \$	Unrestricted Designated Ghim Moh Fund 2013 \$	KTDA Fund 2013 \$	Research Fund 2013 \$	Restricted CST Fund 2013 \$	
Cash flows from operating activities						
	1,034,769	(475,158)	24,746	(333,800)	–	250,557
	Adjustments for:					
	(324,000)	–	–	324,000	–	–
26	(2,362)	–	–	–	–	(2,362)
5	155,010	10,154	–	–	70,597	235,761
26	9,773	3,258	–	–	–	13,031
	(11,746)	(1,215)	–	–	(70,597)	(83,558)
26	(30,000)	–	–	–	–	(30,000)
20	(81,546)	(9,349)	(232)	–	–	(91,127)
	<u>749,898</u>	<u>(472,310)</u>	<u>24,514</u>	<u>(9,800)</u>	<u>–</u>	<u>292,302</u>
	Operating profit/(loss) before working capital changes					
	Changes in working capital:					
	132,641	(32,635)	–	–	(27,920)	72,086
	(54,999)	284,098	–	–	33,600	262,699
	–	–	–	–	(50,614)	(50,614)
	<u>827,540</u>	<u>(220,847)</u>	<u>24,514</u>	<u>(9,800)</u>	<u>(44,934)</u>	<u>576,473</u>
	Cash flows from/(used in) operating activities					
Cash flows from investing activities						
5	(5,560)	(14,100)	–	–	(585,862)	(605,522)
6	(18,750)	(6,250)	–	–	–	(25,000)
7	750,000	–	–	–	–	750,000
	18,750	6,250	–	–	–	25,000
	30,000	–	–	–	–	30,000
	(2,173,239)	250,000	(24,740)	–	(1,127,611)	(3,075,590)
	79,559	9,449	226	–	–	89,234
	<u>(1,319,240)</u>	<u>245,349</u>	<u>(24,514)</u>	<u>–</u>	<u>(1,713,473)</u>	<u>(2,811,878)</u>
	Cash flows (used in)/from investing activities					
Cash flows from financing activities						
17	–	–	–	–	1,758,407	1,758,407
	–	–	–	–	1,758,407	1,758,407
	Cash flows from financing activities					
	(491,700)	24,502	–	(9,800)	–	(476,998)
	5,581,495	484,641	–	33,181	–	6,099,317
10	<u>5,089,795</u>	<u>509,143</u>	<u>–</u>	<u>23,381</u>	<u>–</u>	<u>5,622,319</u>

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 26 June 2014.

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 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 patients who are financially able to pay for dialysis treatment at 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. In July 2011, the Foundation continued the collaboration with NUS with the signing of a 5-year gift agreement at an annual pledge of \$350,000.

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 Judgments

The preparation of financial statements in conformity with FRSs requires management to make judgments, 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 deposits 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 at bank and trade and other receivables, except prepayments.

Cash at bank 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 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 expended 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 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 judgment 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 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 and Wage Credit Schemes

Cash grants received from the government in relation to the Special Employment and Wage Credit Schemes 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 (donations) and funds generating activities

Voluntary income (comprising donations from 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 raising activities is recognised at the point of sale.

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

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 net 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 Foundation'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 and medication fees)

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

	Air-conditioners \$	Computers \$	Furniture and fittings \$	Medical equipment \$	Office equipment \$	Renovations \$	Total \$
Cost							
At 1 April 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
Additions	6,020	–	5,400	78,900	5,850	–	96,170
Disposals	(4,991)	(2,753)	(960)	(143,186)	(4,908)	(4,960)	(161,758)
At 31 March 2014	84,624	104,041	242,403	1,953,461	68,744	720,529	3,173,802
Accumulated depreciation							
At 1 April 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
Depreciation for the year	2,423	5,796	15,243	229,729	6,227	26,949	286,367
Disposals	(4,991)	(2,753)	(960)	(143,186)	(4,908)	(4,960)	(161,758)
At 31 March 2014	78,303	100,922	218,505	1,548,090	56,506	693,570	2,695,896
Carrying amounts							
At 1 April 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
At 31 March 2014	6,321	3,119	23,898	405,371	12,238	26,959	477,906

6 Intangible Assets

	Software \$
Cost	
At 1 April 2012	167,095
Additions	25,000
Disposal	(51,157)
At 31 March 2013	140,938
Additions	31,500
At 31 March 2014	172,438
 Accumulated amortisation	
At 1 April 2012	154,577
Amortisation for the year	13,031
Disposal	(51,157)
At 31 March 2013	116,451
Amortisation for the year	20,206
At 31 March 2014	136,657
 Carrying amounts	
At 1 April 2012	12,518
At 31 March 2013	24,487
At 31 March 2014	35,781

7 Investments – Quoted Bonds

	2014 \$	2013 \$
Carrying value at beginning of year	749,264	1,496,902
Less: Redemption during the year	(500,000)	(750,000)
Add: Amortisation of discount during the year	736	2,362
Carrying value at end of year	250,000	749,264
 Classified as:		
Non-current	–	250,000
Current	250,000	499,264
	250,000	749,264
 Market value	253,350	761,225

Quoted bonds classified as held-to-maturity, earn 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	2014 \$	2013 \$
Trade receivables	9	462,063	206,377
Interest receivable		16,941	38,272
Other receivables		204,628	82,984
Deposits		61,485	83,251
Loans and receivables		745,117	410,884
Prepayments		13,270	4,194
		<u>758,387</u>	<u>415,078</u>

9 Trade Receivables

	2014 \$	2013 \$
Trade receivables	469,239	209,487
Less: Impairment loss in relation to trade receivables	(7,176)	(3,110)
	<u>462,063</u>	<u>206,377</u>

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

	2014 \$	2013 \$
At 1 April	3,110	6,923
Allowance utilised	(886)	(4,664)
Net allowance made during the year	4,952	851
At 31 March	<u>7,176</u>	<u>3,110</u>

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

	<----- 2014 ----->		<----- 2013 ----->	
	Gross \$	Impairment losses \$	Gross \$	Impairment losses \$
Not past due	470,421	-	396,720	-
Past due 0 – 30 days	249,005	-	13,609	-
Past due 31 – 60 days	-	-	-	-
Past due 61 – 90 days	5,530	18	1,677	1,122
Past due more than 90 days	27,337	7,158	1,988	1,988
	<u>752,293</u>	<u>7,176</u>	<u>413,994</u>	<u>3,110</u>

The Foundation's primary exposure to credit risk arises through its trade and other receivables. As at 31 March 2014, concentration of credit risk mainly relates to amounts receivable from insurance providers which accounts for approximately 53.38% (2013: 53%) 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

	2014	2013
	\$	\$
Fixed deposits	21,413,501	19,940,151
Cash held with bank	1,513,733	1,650,787
Cash at bank	22,927,234	21,590,938
Less:		
Fixed deposits with maturity more than 90 days	(17,435,429)	(15,968,619)
Cash and cash equivalents in the cash flow statement	5,491,805	5,622,319

The effective interest rates per annum relating to fixed deposits at the reporting date range from 0.05% to 0.50% (2013: 0.05% to 0.53%) per annum. The fixed deposits mature at intervals of one to twelve months.

11 Deferred Capital Grants

	Note	2014	2013
		\$	\$
At 1 April		535,404	8,100
Add:			
Capital grants received during the year		–	25,000
Grants received for capital expenditure transferred from grants received in advance	12	103,500	585,862
		103,500	610,862
Less:			
Amortisation during the year		(186,096)	(83,558)
At 31 March		452,808	535,404
Classified as:			
Non-current		262,238	535,404
Current		190,570	–
		452,808	535,404

12 Grants Received in Advance

	Note	2014	2013
		\$	\$
Balance at the beginning of the year		1,123,475	–
Grants received during the year		–	1,758,407
		1,123,475	1,758,407
Amount transferred to deferred capital grants	11	(103,500)	(585,862)
Amount transferred to statement of comprehensive income		(67,976)	(49,070)
Balance at the end of the year	17	951,999	1,123,475

	2014	2013
	\$	\$
Classified as:		
Non-current	–	665,497
Current	951,999	457,978
	951,999	1,123,475

13 Trade and Other Payables

	2014	2013
	\$	\$
Trade payables	439,015	395,510
Other payables	262,597	273,259
Net GST	16,502	8,987
Accrued operating expenses	301,584	177,502
Security deposits received from a service provider	622,206	622,206
Unutilised annual leave	13,135	13,166
	1,655,039	1,490,630

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 Board of Directors as follows: \$1,300,000 for the development of GMDC and the balance of \$3,700,000 for the operations of GMDC. The fund also consists of income generated mainly through the provision of dialysis services at the established centre and receipt of government subsidies. The fund is currently used to meet the operating costs of 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. A donation of \$150,000 (2013: \$150,000) was received from Kwan Im Thong Hood Cho Temple in the current financial year. 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 November 2007, a memorandum of understanding was signed with The National University of Singapore, whereby identified research projects will be funded. Donations from the Research Fund will be channelled to the KDF-NUS Research Fund. To continue the collaboration established in 2007, a gift agreement was signed in July 2011. A total of \$1,750,000 was pledged 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 pledge of \$350,000 each year is paid conditionally upon the Foundation receiving the recommendation by the NUSH-KDF Review Committee, to continue the Foundation's support for 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 \$350,252 (2013: \$324,000) from the Unrestricted General Fund to the Restricted Research Fund in order to meet the research contribution for the year. The transfer had been approved by a Director Resolution on 31 March 2014 (2013: 31 March 2013).

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 KDF services to achieve higher quality care and affordable step down care.

	Note	2014 \$	2013 \$
Balance at beginning of year		1,123,475	–
Add: Receipts			
- Community Silver Trust – Matching Grant		–	1,758,407
- Interest earned from fixed deposit		4,735	1,544
Less: Expenditure			
- Purchase of plant and equipment		(103,500)	(585,862)
- Manpower cost for nurse clinicians		(59,686)	(41,331)
- Staff training expenses		(13,025)	(9,283)
Balance at the end of year		951,999	1,123,475
Represented by:			
Grants received in advance	12	951,999	1,123,475

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

Donations received during the year (included in voluntary income, income from fund generating activities and charitable income (note 21)), are as follows:

Donation Schedules	Dialysis \$	Research \$	Total \$
2014			
Tax-deductible donations	4,360,350	850	4,361,200
Non tax-deductible donations	231,980	1,000	232,980
	4,592,330	1,850	4,594,180
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

Donated services

The Foundation receives professional services from doctors and lawyers on a voluntary basis. Honorarium totalling \$95,600 (2013: \$102,600) for 13 (2013: 13) volunteer doctors was paid directly to the restructured hospitals and volunteer doctors for the services rendered.

20 Investment Income

	2014 \$	2013 \$
Interest income:		
- cash and cash equivalents	69,509	63,020
- quoted bonds	9,842	28,107
	79,351	91,127

21 Charitable Income

	Note	2014 \$	2013 \$
Donations	19	18,373	12,100
Dialysis services and medication		5,086,053	4,357,249
		5,104,426	4,369,349
Less: Subsidies to patients		(1,857,421)	(1,643,867)
		3,247,005	2,725,482

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 the statement of comprehensive income in the same period as the related expenditure.

23 Costs of Generating Voluntary Income

	2014	2013
	\$	\$
Direct mailing materials and services	311,948	300,981
Staff costs	248,248	220,619
Admin and operating expenses	39,104	41,041
	<u>599,300</u>	<u>562,641</u>

24 Costs of Charitable Activities – Dialysis services and medication cost

	2014	2013
	\$	\$
Expenditure paid to dialysis service providers and medication expenditure	5,276,508	4,579,170
Honorarium paid to visiting doctors	95,600	102,600
Staff costs	479,648	490,234
Depreciation of plant and equipment	279,721	227,763
Amortisation of intangible assets	20,206	13,031
Rental and utilities	211,674	193,967
Non-claimable GST input tax	185,342	166,668
Repair and maintenance expense	33,785	32,327
Patient welfare expenses	19,460	14,995
Admin and operating expenses	42,680	37,483
	<u>6,644,624</u>	<u>5,858,238</u>

25 Governance Costs

	2014	2013
	\$	\$
Staff costs	130,560	141,316
Depreciation of plant and equipment	6,646	7,998
Rental and utilities	22,858	20,681
Non-claimable GST input tax	26,129	18,838
Repair and maintenance expense	26,441	25,222
Admin and operating expenses	136,960	105,459
	349,594	319,514

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	2014	2013
		\$	\$
Staff costs			
Wages and salaries		931,071	913,464
Contributions to Central Provident Fund		124,034	115,521
Other welfare expenses		31,543	38,386
		1,086,648	1,067,371
Reimbursements by dialysis service providers		(228,192)	(215,202)
		858,456	852,169
Amortisation of discount on bonds	7	(736)	(2,362)
External audit fees		33,700	30,000
Internal audit fees		19,500	17,530
Bad debt recovered		(39)	–
Bad debts written off		886	850
Depreciation of plant and equipment	5		
- General fund		107,928	155,010
- Ghim Moh fund		8,202	10,154
- Community Silver Trust fund		170,237	70,597
Amortisation of intangible assets	6		
- General fund		9,511	9,773
- Ghim Moh fund		3,170	3,258
- Community Silver Trust fund		7,525	–
Gain on disposal of plant and equipment		–	(30,000)
Net impairment loss allowance in relation to doubtful receivables	9	4,952	851
Operating lease expense		34,604	34,483
Amortisation of deferred capital grants	11	(186,096)	(83,558)
Other government grants		(169,588)	(125,498)
Special Employment & Wage Credit Scheme		(30,664)	(6,748)

The Foundation employs experienced dialysis and patient services staff to oversee and monitor the services of the dialysis providers 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 Board of Directors, the Chief Executive Officer and the General Manager are considered as key management personnel of the Foundation. The Board of 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 2014					
Chief Executive Officer*	—	—	—	—	—
General Manager	77,400	8,250	8,007	—	93,657
	<u>77,400</u>	<u>8,250</u>	<u>8,007</u>	<u>—</u>	<u>93,657</u>
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
	<u>132,318</u>	<u>19,044</u>	<u>12,497</u>	<u>1,440</u>	<u>165,299</u>

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 resigned on 14 December 2012 and there was no replacement.

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	
	2014	2013	2014	2013
	\$	\$	\$	\$
Internal audit services	19,500	17,530	–	4,281

A Board Director of the Foundation is also on the Board of Directors of a non-profit organisation, Shared Services for Charities Limited. The selection of internal audit services was based on the Foundation’s tender and procurement process, which takes into consideration, price, professional competency and objectivity, robustness and meticulousness of the proposed internal audit approach as important selection criteria.

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 \$22,927,234 at 31 March 2014 (2013: \$21,590,938), which represents its maximum credit exposure on these assets. These cash and fixed deposits are placed with banks and financial institutions in Singapore which are regulated. At the balance sheet date, 100% (2013: 100%) of the cash and cash equivalents are placed with financial institutions with credit-rating of A-1+ (2013: 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 following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount S\$	Cash flows		
		Contractual cash flows S\$	Within 1 year S\$	Within 2 to 5 years S\$
2014				
Non-derivative financial liabilities				
Trade and other payables	1,655,039	(1,655,039)	(1,655,039)	–
Grants received in advance	951,999	(951,999)	(951,999)	–
	<u>2,607,038</u>	<u>(2,607,038)</u>	<u>(2,607,038)</u>	<u>–</u>
2013				
Non-derivative financial liabilities				
Trade and other payables	1,490,630	(1,490,630)	(1,490,630)	–
Grants received in advance	1,123,475	(1,123,475)	(457,978)	(665,497)
	<u>2,614,105</u>	<u>(2,614,105)</u>	<u>(1,948,608)</u>	<u>(665,497)</u>

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, changes 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 2014 \$	Carrying amount 2013 \$
Fixed rate instruments		
Fixed deposits	21,413,501	19,940,151
Investments – Quoted Bonds	250,000	749,264
	21,663,501	20,689,415

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 1).

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 2014						
Cash and cash equivalents	10	–	22,927,234	–	22,927,234	22,927,234
Trade and other receivables (excluding prepayments)	8	–	745,117	–	745,117	745,117
Investments – Quoted bonds	7	250,000	–	–	250,000	253,350
		<u>250,000</u>	<u>23,672,351</u>	<u>–</u>	<u>23,922,351</u>	<u>23,925,701</u>
Trade and other payables	13	–	–	(1,655,039)	(1,655,039)	(1,655,039)
Grants received in advance	12	–	–	(951,999)	(951,999)	(951,999)
		<u>–</u>	<u>–</u>	<u>(2,607,038)</u>	<u>(2,607,038)</u>	<u>(2,607,038)</u>
31 March 2013						
Cash and cash equivalents	10	–	21,590,938	–	21,590,938	21,590,938
Trade 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	13	–	–	(1,490,630)	(1,490,630)	(1,490,630)
Grants received in advance	12	–	–	(1,123,475)	(1,123,475)	(1,123,475)
		<u>–</u>	<u>–</u>	<u>(2,614,105)</u>	<u>(2,614,105)</u>	<u>(2,614,105)</u>

Supplementary Information – Balance Sheet

	←-----Restricted-----→					Total \$
	Unrestricted General Fund \$	Unrestricted Designated Ghim Moh Fund \$	KTDA Fund \$	Research Fund \$	Restricted CST Fund \$	
2014						
Non-current assets						
Plant and equipment	43,499	17,379	-	-	417,028	477,906
Intangible assets	8,855	2,951	-	-	23,975	35,781
Investment - Quoted bonds	-	-	-	-	-	-
Total non-current assets	<u>52,354</u>	<u>20,330</u>	<u>-</u>	<u>-</u>	<u>441,003</u>	<u>513,687</u>
Current assets						
Investment - Quoted bonds	250,000	-	-	-	-	250,000
Trade and other receivables	514,239	218,054	101	-	25,993	758,387
Cash and cash equivalents	19,657,199	2,184,051	134,747	25,231	926,006	22,927,234
Total current assets	<u>20,421,438</u>	<u>2,402,105</u>	<u>134,848</u>	<u>25,231</u>	<u>951,999</u>	<u>23,935,621</u>
Total assets	<u>20,473,792</u>	<u>2,422,435</u>	<u>134,848</u>	<u>25,231</u>	<u>1,393,002</u>	<u>24,449,308</u>
Non-current liabilities						
Deferred capital grants	3,472	-	-	-	258,766	262,238
Grants received in advance	-	-	-	-	808,750	808,750
	<u>3,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,067,516</u>	<u>1,070,988</u>
Current liabilities						
Trade and other payables	1,303,339	351,700	-	-	-	1,655,039
Deferred capital grants	8,333	-	-	-	182,237	190,570
Grants received in advance	-	-	-	-	143,249	143,249
	<u>1,311,672</u>	<u>351,700</u>	<u>-</u>	<u>-</u>	<u>325,486</u>	<u>1,988,858</u>
Total liabilities	<u>1,315,144</u>	<u>351,700</u>	<u>-</u>	<u>-</u>	<u>1,393,002</u>	<u>3,059,846</u>
Net assets/(liabilities)	<u>19,158,648</u>	<u>2,070,735</u>	<u>134,848</u>	<u>25,231</u>	<u>-</u>	<u>21,389,462</u>
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	<u>404,273</u>	<u>23,052</u>	<u>-</u>	<u>-</u>	<u>515,265</u>	<u>942,590</u>
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	23,381	1,127,611	21,590,938
Total current assets	<u>18,413,904</u>	<u>2,886,174</u>	<u>24,746</u>	<u>23,381</u>	<u>1,157,075</u>	<u>22,505,280</u>
Total assets	<u>18,818,177</u>	<u>2,909,226</u>	<u>24,746</u>	<u>23,381</u>	<u>1,672,340</u>	<u>23,447,870</u>
Non-current liabilities						
Deferred capital grants	15,104	5,035	-	-	515,265	535,404
Grants received in advance	-	-	-	-	665,497	665,497
	<u>15,104</u>	<u>5,035</u>	<u>-</u>	<u>-</u>	<u>1,180,762</u>	<u>1,200,901</u>
Current liabilities						
Trade and other payables	1,106,173	350,857	-	-	33,600	1,490,630
Grants received in advance	-	-	-	-	457,978	457,978
	<u>1,106,173</u>	<u>350,857</u>	<u>-</u>	<u>-</u>	<u>491,578</u>	<u>1,948,608</u>
Total liabilities	<u>1,121,277</u>	<u>355,892</u>	<u>-</u>	<u>-</u>	<u>1,672,340</u>	<u>3,149,509</u>
Net assets	<u>17,696,900</u>	<u>2,553,334</u>	<u>24,746</u>	<u>23,381</u>	<u>-</u>	<u>20,298,361</u>

FS32 to FS33 do not form part of the Foundation's financial statements.

Supplementary Information – Income Generating Activities and Related Costs

Voluntary Income and Cost of Generating Voluntary Income

<u>Activity</u>	Income		Expenses*	
	2014 \$	2013 \$	2014 \$	2013 \$
Direct appeal	1,378,877	1,352,231	(299,169)	(267,776)
Communications, such as newsletters and website	1,019,726	831,187	(188,831)	(156,988)
Outright and sponsorships	1,009,658	662,573	(76,211)	(64,612)
Research	1,850	16,200	(390)	(10,466)
Others	467,962	377,474	(34,699)	(62,799)
Total	3,878,073	3,239,665	(599,300)	(562,641)

* 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 proportion of voluntary income earned.

Funds Generating Activities and Cost of Funds Generating Activities

<u>Activity</u>	Income		Expenses	
	2014 \$	2013 \$	2014 \$	2013 \$
Lunar 7 th month	310,215	258,938	(46,473)	(44,165)
Flag day	–	52,546	–	(12,180)
Donation boxes/Pledge cards	15,968	21,485	(2,551)	(1,841)
Millennium Ride	210,115	–	(29,815)	–
Others	161,436	301,279	(11,695)	(12,996)
Total	697,734	634,248	(90,534)	(71,182)

FS32 to FS33 do not form part of the Foundation's financial statements

