

Financial Statement

Kidney Dialysis Foundation Limited

(A Company limited by Guarantee)

Registration Number: 199600830Z

Annual Report

Year ended 31 March 2023

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act 2005 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Directors' Statement

We are pleased to submit this annual report to the members of the Kidney Dialysis Foundation Limited (the "Foundation") together with the audited financial statements of the Foundation for the financial year ended 31 March 2023.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS34 are drawn up so as to give a true and fair view of the financial position of the Foundation as at 31 March 2023 and the financial performance, changes in funds and cash flows of the Foundation for the year ended on that date in accordance with the provisions of the Companies Act 1967, Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore; 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.

DIRECTORS

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

Dr Lim Cheok Peng - Chairman
Yeoh Oon Jin
Cheng Wai Keung
Stephen Lee Ching Yen
Watson Ong Choon Huat
Wong Yew Meng
Chan May Ping
Uantchern Loh
Chan Soo Sen
Roy Quek Hong Sheng

PRINCIPAL ACTIVITIES

The Foundation was incorporated on 1 February 1996 as a Foundation limited by guarantee and is registered as a charity under the Charities Act 1994 and other relevant regulations.

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.

DIRECTORS' INTERESTS

Directors, who are also members of the Foundation, are 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 Foundation 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 1967 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.

SHARE OPTIONS

As the Foundation is a Foundation limited by guarantee and has no share capital, the statutory information required to be disclosed under Section 201(12) of the Companies Act 1967 does not apply.

AUDITORS

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

On behalf of the Board of Directors



Dr Lim Cheok Peng
Director



Yeoh Oon Jin
Director

30 August 2023

Independent auditors' report

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kidney Dialysis Foundation Limited ('the Foundation'), which comprise the statement of financial position as at 31 March 2023, the statement of income and expenditure and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS34.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Companies Act'), the Charities Act 1994 and other relevant regulations ('the Charities Act and Regulations'), and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Foundation as at 31 March 2023 and of the financial performance, changes in funds and cash flows of the Foundation for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Foundation in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors 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 Companies Act, the Charities Act and Regulations and FRSs 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Foundation's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- (a) the Foundation has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

KPMG LLP

Public Accountants and Chartered Accountants

Singapore

30 August 2023

Statement of Financial Position
As at 31 March 2023

	Note	2023 \$	2022 \$
Non-current assets			
Plant and equipment	5	1,885,276	1,615,318
Intangible assets	6	1,338,585	358,094
Total non-current assets		3,223,861	1,973,412
Current assets			
Trade and other receivables	7	1,683,608	986,986
Inventory	8	27,449	27,449
Cash and cash equivalents	9	45,708,055	44,933,518
Total current assets		47,419,112	45,947,953
Total assets		50,642,973	47,921,365
Non-current liabilities			
Deferred capital grants	10	1,116,432	1,001,409
Grants received in advance	11	829,609	493,348
Total non-current liabilities		1,946,041	1,494,757
Current liabilities			
Deferred capital grants	10	733,674	120,670
Grants received in advance	11	1,956,189	4,230,277
Trade and other payables	12	1,369,307	1,072,085
Total current liabilities		4,059,170	5,423,032
Total liabilities		6,005,211	6,917,789
Net assets		44,637,762	41,003,576
Funds of the Foundation:			
<i>Unrestricted Funds</i>			
General Fund		42,890,825	39,277,377
<i>Restricted Funds</i>			
Building Fund	13	1,100,000	1,100,000
Patient Welfare Support ("PWS") Fund	14	646,937	626,199
Total funds		44,637,762	41,003,576
Members' guarantee	4	300	300

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

Statement of Income and Expenditure and Other Comprehensive Income
Year ended 31 March 2023

2023	Note	Unrestricted General Fund \$	← RESTRICTED →		Total \$
			CST Fund \$	PWS Fund \$	
Income/Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income (donations)	16	1,768,560	-	33,175	1,801,735
Funds generating activities	16	2,264,354	-	-	2,264,354
Sponsorship	16	83,126	-	-	83,126
Investment income	17	693,803	-	-	693,803
Other income	18	1,329,935	-	-	1,329,935
		6,139,778	-	33,175	6,172,953
<i>Charitable activities</i>					
Charitable income (mainly dialysis services and medication fees)	19	3,398,164	-	-	3,398,164
Less: subsidies to patients	19	(529,778)	-	(12,437)	(542,215)
Government subsidies	20	3,564,170	3,086,796	-	6,650,966
		6,432,556	3,086,796	(12,437)	9,506,915
Total income/incoming resources		12,572,334	3,086,796	20,738	15,679,868
Expenditure/Resources expended					
<i>Cost of generating funds</i>					
Cost of generating voluntary income	21	682,384	-	-	682,384
Cost of fund generating activities		308,909	-	-	308,909
		991,293	-	-	991,293
<i>Cost of charitable activities</i>					
Dialysis services and medication cost	22	5,549,737	3,086,796	-	8,636,533
Governance costs	23	2,417,856	-	-	2,417,856
Total expenditure/resources expended		8,958,886	3,086,796	-	12,045,682
Net Surplus for the year, representing total comprehensive income for the year	24	3,613,448	-	20,738	3,634,186

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

Statement of Income and Expenditure and Other Comprehensive Income (continued)
Year ended 31 March 2023

2022	Note	Unrestricted General Fund \$	Building Fund \$	RESTRICTED		Total \$	
				CST Fund \$	PWS Fund \$		
Income/Incoming resources							
Incoming resources from generated funds							
	16	2,207,306	6,840	-	30,701	2,244,847	
	16	1,549,827	-	-	-	1,549,827	
	16	49,657	-	-	-	49,657	
	17	196,884	-	-	-	196,884	
	18	896,079	-	-	-	896,079	
		4,899,753	6,840	-	30,701	4,937,294	
Charitable activities							
	19	3,539,554	-	-	-	3,539,554	
		(mainly dialysis services and medication fees)					
	19	(608,413)	-	-	(21,540)	(629,953)	
	20	3,353,878	-	441,061	-	3,794,939	
		6,285,019	-	441,061	(21,540)	6,704,540	
		Total income/incoming resources	11,184,772	6,840	441,061	9,161	11,641,834
Expenditure/Resources expended							
Cost of generating funds							
	21	490,934	-	-	-	490,934	
		203,969	-	-	-	203,969	
		694,903	-	-	-	694,903	
Cost of charitable activities							
	22	7,604,827	-	441,061	-	8,045,888	
	23	593,743	-	-	-	593,743	
		Total expenditure/resources expended	8,893,473	-	441,061	-	9,334,534
	24	2,291,299	6,840	-	9,161	2,307,300	
		Net Surplus for the year,					
		representing total comprehensive					
		income for the year					

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

Statement of Changes in Funds
Year ended 31 March 2023

	Unrestricted General Fund \$	Restricted Building Fund \$	Restricted PWS Fund \$	Total \$
At 1 April 2021	36,986,078	1,093,160	617,038	38,696,276
Net Surplus for the year, representing total comprehensive income for the year	2,291,299	6,840	9,161	2,307,300
At 31 March 2022	39,277,377	1,100,000	626,199	41,003,576
Net Surplus for the year, representing total comprehensive income for the year	3,613,448	-	20,738	3,634,186
At 31 March 2023	42,890,825	1,100,000	646,937	44,637,762

Statement of Cash Flows
Year ended 31 March 2023

2023	Note	Unrestricted General Fund \$	RESTRICTED			Total \$
			Building Fund \$	CST Fund \$	PWS Fund \$	
Cash flows from operating activities						
		3,613,448	-	-	20,738	3,634,186
Adjustments for:						
	24	242,530	-	405,637	-	648,167
	24	2,498	-	-	-	2,498
	24	23,001	-	-	-	23,001
	24	147	-	-	-	147
	24	-	-	(405,637)	-	(405,637)
	11	-	-	(2,681,159)	-	(2,681,159)
	20	(3,564,170)	-	-	-	(3,564,170)
	17	(693,803)	-	-	-	(693,803)
		(376,349)	-	(2,681,159)	20,738	(3,036,770)
Changes in:						
		(278,911)	-	-	-	(278,911)
		136,830	-	-	-	136,830
		(518,430)	-	(2,681,159)	20,738	(3,178,851)
		5,441,166	-	-	-	5,441,166
		4,922,736	-	(2,681,159)	20,738	2,262,315
Cash flows from investing activities						
		29,942	-	-	-	29,942
		(950,565)	-	-	-	(950,565)
		(843,100)	-	-	-	(843,100)
		(14,388,585)	-	-	-	(14,388,585)
		275,945	-	-	-	275,945
		(15,876,363)	-	-	-	(15,876,363)
		(10,953,627)	-	(2,681,159)	20,738	(13,614,048)
		(2,681,159)	-	2,681,159	-	-
		32,487,160	1,100,000	-	626,199	34,213,359
	9	18,852,374	1,100,000	-	646,937	20,599,311

Note A

The transfer between Unrestricted General Fund and CST Fund relates to utilisation of funds granted by Ministry of Health.

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

Statement of Cash Flows (continued)
Year ended 31 March 2023

2022	Note	Unrestricted General Fund \$	RESTRICTED			Total \$
			Building Fund \$	CST Fund \$	PWS Fund \$	
Cash flows from operating activities						
		2,291,299	6,840	-	9,161	2,307,300
Net surplus for the year						
Adjustments for:						
Depreciation of plant and equipment	24	252,481	-	176,483	-	428,964
Gain on disposal of plant and equipment	24	(19,627)	-	-	-	(19,627)
Loss on disposal of intangible assets	24	3	-	-	-	3
Amortisation of intangible assets	24	13,062	-	379	-	13,441
Impairment loss on trade receivables	24	7,496	-	-	-	7,496
Amortisation of deferred capital grants	24	-	-	(176,862)	-	(176,862)
Utilisation to fund operating expenditure	11	-	-	(264,199)	-	(264,199)
Government grants and subsidies income	20	(3,353,878)	-	-	-	(3,353,878)
Investment income	17	(196,884)	-	-	-	(196,884)
		(1,006,048)	6,840	(264,199)	9,161	(1,254,246)
Changes in:						
- Trade and other receivables		660,837	-	-	-	660,837
- Trade and other payables		(504,685)	-	-	-	(504,685)
Cash (used in)/generated from operations		(849,896)	6,840	(264,199)	9,161	(1,098,094)
Government grants and subsidies received, net		3,353,878	-	-	-	3,353,878
Net cash flows from/(used in) operating activities		2,503,982	6,840	(264,199)	9,161	2,255,784
Cash flows from investing activities						
Proceeds from disposal of plant and equipment		23,378	-	-	-	23,378
Purchase of plant and equipment		(734,198)	-	-	-	(734,198)
Purchase of intangible assets		(360,906)	-	-	-	(360,906)
Changes in placement of fixed deposits with banks, net		4,399,022	-	-	-	4,399,022
Interest received		247,093	-	-	-	247,093
Net cash flows from investing activities		3,574,389	-	-	-	3,574,389
Net increase/(decrease) in cash and cash equivalents		6,078,371	6,840	(264,199)	9,161	5,830,173
Gross transfer between funds (Note A)		(264,199)	-	264,199	-	-
Cash and cash equivalents at beginning of year		26,672,988	1,093,160	-	617,038	28,383,186
Cash and cash equivalents at end of year	9	32,487,160	1,100,000	-	626,199	34,213,359

Note A

The transfer between Unrestricted General Fund and CST Fund relates to utilisation of funds granted by Ministry of Health.

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 30 August 2023.

1. DOMICILE AND ACTIVITIES

The Foundation was incorporated in the Republic of Singapore on 1 February 1996 as a Foundation limited by guarantee and is registered as a charity under the Charities Act 1994 and other relevant regulations. 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.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"). The changes to significant accounting policies are described in Note 2.5.

2.2. BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3. FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4. USE OF ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with FRS 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 prospectively.

Management is of the opinion that there have been no critical judgments in applying the Foundation's 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.

2.5. CHANGES IN ACCOUNTING POLICIES

New standards and amendments

The Company has applied the following FRSs and amendments of FRSs for the first time for the annual period beginning on 1 April 2022:

- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

The application of these amendments to standards does not have a material effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1. FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Foundation becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Foundation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Foundation makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Foundation's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Foundation's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Foundation considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Foundation considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Foundation's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination)

is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of income and expenditure.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of income and expenditure.

(iii) Derecognition

Financial assets

The Foundation derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Foundation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Foundation enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Foundation also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Foundation currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposits that are subject to an insignificant risk of changes in their fair value. For the purpose of the statement of cash flows, fixed deposits with maturity greater than 90 days are excluded.

3.2. PLANT AND EQUIPMENT

(i) 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.

If significant 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 recognised statement of income and expenditure.

(ii) Subsequent costs

The cost of replacing a component of an item 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 statement of income and expenditure as incurred.

(iii) 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 as an expense in statement of income and expenditure on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date and the asset is completed and ready for use.

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 statement of income and expenditure in the year of acquisition.

3.3. 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 statement of income and expenditure as incurred.

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in statement of income and expenditure on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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.

3.4. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out allocation method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.5. IMPAIRMENT

(i) Non-derivative financial assets

The Foundation recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances of the Foundation are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Foundation applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Foundation applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Foundation assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Foundation's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Foundation considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Foundation in full, without recourse by the Foundation to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Foundation is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Foundation expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Foundation assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Foundation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Foundation's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Foundation's non-financial assets, other than inventories 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 related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 CGU. 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 CGU.

Impairment losses are recognised in statement of income and expenditure. Impairment losses recognised in respect of CGU are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior financial years 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 employee benefits expense in statement of income and expenditure in the financial years during which related services are rendered by employees.

(ii) Short-term employee 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 statement of income and expenditure 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 statement of income and expenditure as government subsidies on a systematic basis in the same financial years 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 statement of income and expenditure over the financial years 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 statement of income and expenditure 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 the statement of income and expenditure upon receipt.

Other government grants

Other government grants include Job Growth Incentive ("JGI"), Community Care Salary Enhancement ("CCSE") and Nurse Special Payment ("NSP") grants.

JGI, CCSE and NSP grants are recognised in the statement of income and expenditure as 'other income' on a systematic basis over the periods in which the Foundation recognises the related expenses, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, a grant is recognised when it becomes receivable.

3.8. LEASES

At inception of a contract, the Foundation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Short-term leases and leases of low-value assets

The Foundation has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Foundation recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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 and expenditure incurred in a general fund will be presented as unrestricted general income and expenditure, 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 Directors' 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 and expenditure held in designated funds will be presented as designated general income and expenditure, 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 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 Directors' Resolution passed by the Board of Directors of the Foundation. The Foundation'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 Board of Directors 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 financial year as received or receivable when and only when all of the following conditions have been satisfied:

- the Foundation obtains the right to receive the donation;
- it is probable that the economic benefits comprising the donations will flow to the Foundation; 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 accrual basis, using the effective interest method.

(iii) Charitable income (mainly dialysis services and medication fees)

Income from rendering dialysis and related medical services in the ordinary course of business is recognised when the Foundation satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/ or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Foundation expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Foundation does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Charitable income recognised is net of government subsidies and excludes goods and services taxes.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO.

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 75:25 ratio, since the Foundation operates one head office that provides the overall governance for the Foundation and 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 and includes an apportionment of support costs.

(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 support costs.

3.12. NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 28.

4. MEMBERS' GUARANTEE

The Foundation is a Foundation 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 2021	102,646	155,629	236,754	2,787,291	111,652	765,749	4,159,721
Additions	33,965	14,310	117,895	322,143	39,811	206,074	734,198
Disposals	(10,272)	(13,644)	(10,091)	(174,000)	(26,809)	-	(234,816)
At 31 March 2022	126,339	156,295	344,558	2,935,434	124,654	971,823	4,659,103
Additions	16,500	197,507	3,650	521,780	1,330	209,798	950,565
Disposals	(2,570)	(31,045)	(3,300)	(536,998)	(8,449)	(80,912)	(663,274)
At 31 March 2023	140,269	322,757	344,908	2,920,216	117,535	1,100,709	4,946,394
Accumulated depreciation							
At 1 April 2021	79,468	125,285	235,871	1,571,488	80,625	753,149	2,845,886
Depreciation for the year	16,505	16,815	14,203	336,630	17,719	27,092	428,964
Disposals	(9,916)	(12,443)	(10,091)	(173,991)	(24,624)	-	(231,065)
At 31 March 2022	86,057	129,657	239,983	1,734,127	73,720	780,241	3,043,785
Depreciation for the year	17,675	23,361	38,677	431,401	21,190	115,863	648,167
Disposals	(2,569)	(6,688)	(824)	(536,465)	(8,447)	(75,841)	(630,834)
At 31 March 2023	101,163	146,330	277,836	1,629,063	86,463	820,263	3,061,118
Carrying amounts							
At 1 April 2021	23,178	30,344	883	1,215,803	31,027	12,600	1,313,835
At 31 March 2022	40,282	26,638	104,575	1,201,307	50,934	191,582	1,615,318
At 31 March 2023	39,106	176,427	67,072	1,291,153	31,072	280,446	1,885,276

6. INTANGIBLE ASSETS

	Software \$	Development in-progress \$	Total \$
Cost			
At 1 April 2021	431,552	-	431,552
Additions	45,986	314,920	360,906
Disposals	(20,885)	-	(20,885)
At 31 March 2022	456,653	314,920	771,573
Additions	47,219	956,273	1,003,492
Disposals	(1,950)	-	(1,950)
At 31 March 2023	501,922	1,271,193	1,773,115
Accumulated amortisation			
At 1 April 2021	420,920	-	420,920
Amortisation for the year	13,441	-	13,441
Disposals	(20,882)	-	(20,882)
At 31 March 2022	413,479	-	413,479
Amortisation for the year	23,001	-	23,001
Disposals	(1,950)	-	(1,950)
At 31 March 2023	434,530	-	434,530
Carrying amounts			
At 1 April 2021	10,632	-	10,632
At 31 March 2022	43,174	314,920	358,094
At 31 March 2023	67,392	1,271,193	1,338,585

Software under development in-progress is not depreciated as it is not ready for use as at 31 March 2023.

7. TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
Trade receivables	537,080	395,484
Less: Allowance for doubtful trade receivables	-	(16)
	537,080	395,468
Interest receivable	502,368	84,510
Grant receivables (a)	499,781	366,732
Other receivables	5,780	16,205
Deposits	32,136	24,166
	1,577,145	887,081
Prepayments	106,463	99,905
	1,683,608	986,986
(a) Grant receivables		
Job Growth Incentive grant	22,934	56,763
Community Care Salary Enhancement grant	363,397	309,969
Nurse Special Payment Package	113,450	-
	499,781	366,732

The Foundation's exposures to credit risk related to trade and other receivables are disclosed in Note 27.

8. INVENTORY

	2023 \$	2022 \$
Medical consumables	27,449	27,449

In 2023, inventories of \$1,307,460 (2022: \$1,292,757) were recognised as an expense during the year.

9. CASH AND CASH EQUIVALENTS

	2023 \$	2022 \$
Fixed deposits	43,374,465	43,289,042
Cash held with bank	2,333,590	1,644,476
Cash and cash equivalents in statement of financial position	45,708,055	44,933,518
Less:		
Fixed deposits with maturity greater than 90 days	(25,108,744)	(10,720,159)
Cash and cash equivalents in the statement of cash flows	20,599,311	34,213,359

The effective interest rates per annum relating to fixed deposits at the reporting date range from 0.90% to 4.10% (2022: 0.35% to 0.75%) per annum. The fixed deposits mature at intervals of three to twenty-four months (2022: one to twelve months).

10. DEFERRED CAPITAL GRANTS

	Note	2023 \$	2022 \$
Balance at the beginning of the year		1,122,079	82,388
Add:			
Grants received for capital expenditure transferred from grants received in advance	11	1,133,664	1,216,553
		2,255,743	1,298,941
Less:			
Amortisation during the year	24	(405,637)	(176,862)
Balance at the end of the year		1,850,106	1,122,079
Classified as:			
Non-current		1,116,432	1,001,409
Current		733,674	120,670
		1,850,106	1,122,079

11. GRANTS RECEIVED IN ADVANCE – RESTRICTED COMMUNITY SILVER TRUST FUNDS

The Community Silver Trust Fund (“CST”) was set up in November 2012 for government grants 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 received is used to improve the capability of the Foundation’s existing services in achieving higher quality care and affordable step down care.

The government grants received are first accounted for as grants received in advance and the utilisation of these grants are set out below:

	Note	2023 \$	2022 \$
Balance at the beginning of the year		4,723,625	6,204,377
Add:			
Grants received during the year		2,590,862	-
		7,314,487	6,204,377
Less:			
Transferred to deferred capital grant	10	(1,133,664)	(1,216,553)
Refunded on expired grants		(713,866)	-
Utilisation to fund operating expenditure			
- Centre operating costs		(495,407)	(123,312)
- Exercise rehabilitation programme		(402,665)	(140,887)
- Enterprise Resource Planning & Customer Relationship Manager systems		(348,414)	-
- Centre renovations		(1,434,673)	-
	20	(2,681,159)	(264,199)
Balance at the end of the year		2,785,798	4,723,625
Classified as:			
Non-current		829,609	493,348
Current		1,956,189	4,230,277
		2,785,798	4,723,625

12. TRADE AND OTHER PAYABLES

	2023 \$	2022 \$
Trade payables	298,644	313,175
Other payables	82,786	189,066
Goods and Services Tax payables, net	52,923	32,703
Accrued operating expenses	857,344	450,103
Accrual for unutilised annual leave	77,610	87,038
	1,369,307	1,072,085

The Foundation’s exposures to liquidity risk related to trade and other payables are disclosed in Note 27.

13. RESTRICTED BUILDING FUND

The Building Fund was set up in November 2017 for the development of a new haemodialysis centre. San Wang Wu Ti Religious Society has pledged to donate an amount of \$1,000,000. A restricted Building Fund has been set up accordingly to account for this donation since January 2017. In 2021, the Foundation received a donation of \$6,840 from San Wang Wu Ti Religious Society. No donation was received during the year.

14. RESTRICTED PATIENT WELFARE SUPPORT FUND

The Patient Welfare Support Fund ("PWS") was set up in June 2016 to fund the Adopt-A-Patient Scheme ("APS"). This fund is used strictly for the direct benefit of patients only. In addition to providing secondary funding for patients unable to cope with their out-of-pocket payment for dialysis treatment, the PWS Fund includes providing transportation subsidies, meal vouchers and other needs as approved by the Patient Programme Selection and Review ("PPSR") Committee. Patient eligibility is based on individual financial circumstances and determined by the Foundation's social workers and approved by the PPSR Committee.

	2023 \$	2022 \$
Balance at beginning of the year	626,199	617,038
Donations received	33,175	30,701
Subsidies provided to patients	(12,437)	(21,540)
Balance at the end of the year	646,937	626,199

15. 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.

16. INCOMING RESOURCES FROM GENERATED FUNDS

Donations received during the year are included as follows:

	2023 \$	2022 \$
Voluntary income (donations)	1,801,735	2,244,847
Income from funds generating activities	2,264,354	1,549,827
Sponsorship	83,126	49,657
	4,149,215	3,844,331

During the year, the donations received comprise tax-deductible and non-tax-deductible donations of \$3,107,539 (2022: \$3,443,914) and \$1,041,676 (2022: \$400,417) respectively.

Sponsorships received in 2023 and 2022 comprised cash sponsorship.

17. INVESTMENT INCOME

	2023 \$	2022 \$
Interest income on fixed deposits	693,803	196,884

18. OTHER INCOME

	2023 \$	2022 \$
Special Employment & Wage Credit Scheme	38,188	36,273
Jobs Support Scheme grant	(a) -	69,020
Job Growth Incentive grant	(a) 83,224	205,367
Community Care Salary Enhancement grant	(b) 921,445	554,858
Nurse Special Payment Package	(c) 113,450	-
Others	173,628	30,561
	1,329,935	896,079

(a) The Foundation received grants in relation to Jobs Support Scheme grant ("JSS") and Job Growth Incentive ("JGI"). JSS is a wage subsidy programme introduced in Singapore in response to the COVID-19 coronavirus pandemic. JGI is a wage subsidy programme to encourage hiring of new local employees. The Foundation recognised JSS and JGI of \$nil and \$83,224 respectively (2022: \$69,020 and \$205,367 respectively) as other income.

(b) Community Care Salary Enhancement grant ("CCSE") is a grant given to community care providers to support increases in their staff costs and improve the competitiveness of community care providers' salaries. The Foundation recognised CCSE of \$921,445 (2022: \$554,858) as other income.

(c) On 31 July 2022, the Ministry of Health announced that nurses serving in public healthcare clusters will receive the 2022 Nurse Special Payment Package ("NSPP"). The nurses of the Foundation are eligible for NSPP and the Foundation recognised \$113,450 as other income.

19. CHARITABLE INCOME

	2023 \$	2022 \$
Dialysis services and medication fee	3,398,164	3,539,554
Less: Subsidies to patients	(542,215)	(629,953)
	2,855,949	2,909,601

20. GOVERNMENT SUBSIDIES

Government subsidies received of \$3,564,170 (2022: \$3,353,878) are recognised under charitable activities as incoming resources in the statement of income and expenditure and other comprehensive income to fund the related expenditure incurred during the financial year.

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.

The Foundation also receives grants from the Community Silver Trust. The CST provides a dollar-for-dollar matching grant administered by the Ministry of Health. The grant received is used to improve the capability of the Foundation's existing services in achieving higher quality care and affordable step-down care.

The related expenditures charged to the statement of income and expenditure and other comprehensive income that were funded through CST grants are set out below:

	Note	2023 \$	2022 \$
Operating expenditures	11	2,681,159	264,199
Depreciation of plant and equipment	24	405,637	176,483
Amortisation of intangible assets	24	-	379
		3,086,796	441,061

21. COSTS OF GENERATING VOLUNTARY INCOME

	2023 \$	2022 \$
Direct mailing materials and services	242,613	195,190
Staff costs	331,860	249,080
Administrative and operating expenses	107,911	46,664
	682,384	490,934

22. DIALYSIS SERVICES AND MEDICATION COST

	2023 \$	2022 \$
Expenditure paid to dialysis service providers and medication expenditure	2,002,387	2,049,588
Honorarium paid to visiting doctors	119,600	127,000
Staff costs	2,579,772	2,989,187
Depreciation of plant and equipment	621,587	409,071
Amortisation of intangible assets	22,401	4,955
Rental and utilities	271,667	225,773
Non-claimable GST input tax	375,327	186,390
Repair and maintenance expense	99,460	90,556
Administrative and operating expenses	2,544,332	1,963,368
	8,636,533	8,045,888

Donated services

The Foundation receives professional services from doctors and lawyers on a voluntary basis. Honorarium totalling \$119,600 (2022: \$127,000) for 12 (2022: 12) volunteer doctors was paid directly to the restructured hospitals and volunteer doctors for the services rendered.

23. GOVERNANCE COSTS

	2023 \$	2022 \$
Staff costs*	2,001,585	291,149
Depreciation of plant and equipment	26,580	19,893
Amortisation of intangible assets	600	8,486
Rental and utilities	18,232	11,264
Recognition of/(Reversal of) GST input tax	3,533	(593)
Repair and maintenance expense	70,442	55,843
Administrative and operating expenses	296,884	207,701
	2,417,856	593,743

* During the financial year, the Foundation redefined the classification of staff costs in "Dialysis services and medication costs" and "Governance costs". Prior year comparatives were not restated. The reclassification is within statement of income and expenditure and other comprehensive income and does not have any effect on statement of financial position and statement of cash flows.

24. NET SURPLUS FOR THE YEAR

Net surplus for the year includes the following:

	Note	2023 \$	2022 \$
External audit fees		46,098	48,175
Internal audit fees		45,090	30,650
Depreciation of plant and equipment			
- General fund		242,530	252,481
- CST	20	405,637	176,483
Amortisation of intangible assets			
- General fund		23,001	13,062
- CST	20	-	379
Loss/(Gain) on disposal of plant and equipment		2,498	(19,627)
Impairment loss on trade receivables		147	7,496
Short-term leases		63,737	68,100
Amortisation of deferred capital grants	10	(405,637)	(176,862)
Staff costs (see below)	(a)	4,913,217	3,529,416
(a) Salaries, bonuses and other costs		4,446,144	3,168,533
Contributions to defined contribution plans		467,073	360,883
		4,913,217	3,529,416

25. TAXATION

The Foundation is registered as a charity under the Charities Act 1994. With effect from YA2008, all registered charities are not required to file income tax returns and will enjoy automatic income tax exemption. No provision for taxation has been made in the Foundation's financial statements.

26. RELATED PARTIES

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 compensation

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 and the General Managers (including human resources, finance, nursing and social work) are considered as key management personnel of the Foundation. The Board of Directors of the Foundation renders its services on a voluntary basis and does not receive any remuneration. However, the General Manager received remuneration that is approved by the Board of Directors.

	Salaries \$	AWS and variable bonus \$	Contributions to Central Provident Fund \$	Total \$
31 March 2023				
Key management personnel	552,507	142,090	97,356	791,953
31 March 2022				
Key management personnel	348,906	68,274	58,844	476,024

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

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	
	2023 \$	2022 \$	2023 \$	2022 \$
Internal audit services	45,090	30,650	-	-

A Director of the Foundation also sits on the Board of Directors of another 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 the 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.

27. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Foundation has exposure to the following risks arising from financial instruments:

- 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 Audit 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 cash and cash equivalents and trade and other receivables.

The carrying amounts of financial assets represent the Foundation's maximum exposure to credit risk, before taking into account any collateral held. The Foundation does not hold any collateral in respect of its financial assets.

Trade 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 receivables. The main components of this allowance are specific loss component that relates to individually significant exposures, and 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.

Exposure to credit risk

The exposure to credit risk for trade receivables at the reporting date by counterparty was:

	Carrying amount	
	2023 \$	2022 \$
Corporate – insurance providers	520,451	386,535
Individual patients	16,629	8,933
	537,080	395,468

The carrying amount of the Foundation’s most significant customer, an insurance provider was \$210,441 (2022: \$200,131) as at 31 March 2023.

Impairment losses

A summary of the exposures to credit risk for trade receivables at the reporting date is as follows:

	2023		2022	
	Not credit impaired \$	Credit impaired \$	Not credit impaired \$	Credit impaired \$
Not past due	2,559	–	242,969	–
Past due 1-30 days	272,173	–	13,274	–
Past due 31-60 days	260,582	–	138,962	–
Past due 61-90 days	1,766	–	263	–
Past due more than 365 days	–	–	–	16
Total gross carrying amount	537,080	–	395,468	16
Loss allowance	–	–	–	(16)
	537,080	–	395,468	–

The Foundation’s credit impaired trade receivables of \$16 as at 31 March 2022 is related to a few patients that have informed the Foundation of their inability to pay for the outstanding invoices due to financial difficulties. The Foundation had made full allowance for impairment losses on these receivables.

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Lifetime ECL	
	2023 \$	2022 \$
Balance at beginning of the year	16	1,486
Impairment loss recognised	147	7,496
Utilised	(163)	(8,966)
Balance at the end of the year	–	16

Cash and cash equivalents

The Foundation held cash and cash equivalents of \$45,708,055 as at 31 March 2023 (2022: \$44,933,518). The cash and cash equivalents are held with bank counterparties, which are rated from A3 to Aa1 (2022: A3 to Aa1), based on Moody's ratings, except for fixed deposits of \$9,922,470 (2022: \$3,374,186) which has been placed with a financial institution with no available credit rating.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Foundation considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is insignificant.

Interest receivables, grant receivables, other receivables and deposits

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

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. The cash flow maturity of the grants received in advance is identified based on the respective funding projects' agreed time period with Ministry of Health (Note 11). Cash outflows of these balances are only expected when the project expired with unutilised funding balances.

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 have maturity period of one year.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	← Cash flows →		
	Carrying amount \$	Contractual cash flows \$	Within 1 year \$
2023			
Non-derivative financial liabilities			
Trade and other payables [#]	1,316,384	(1,316,384)	(1,316,384)
2022			
Non-derivative financial liabilities			
Trade and other payables [#]	1,039,382	(1,039,382)	(1,039,382)

[#] Excludes Goods and Services Tax payables, net

Market risk

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates 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.

Interest rate risk

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

	2023 \$	2022 \$
Fixed rate instruments		
Fixed deposits	43,374,465	43,289,042

The Foundation does not account for any fixed rate financial assets at fair value through statement of income and expenditure. Therefore, changes in interest rates at the reporting date would not affect the Foundation's statement of income and expenditure.

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.

Accounting classifications and fair values

The carrying amounts of financial assets and liabilities, all of which are not measured at fair value, are as follows. No separate disclosure is made on their fair values as their carrying amounts are reasonable approximations of fair value due to the short period to maturity.

	Note	Amortised cost \$	Other financial liabilities \$	Other financial liabilities \$
31 March 2023				
Cash and cash equivalents	9	45,708,055	-	45,708,055
Trade and other receivables*	7	1,577,145	-	1,577,145
		47,285,200	-	47,285,200
31 March 2023				
Trade and other payables#	12	-	(1,316,384)	(1,316,384)
31 March 2022				
Cash and cash equivalents	9	44,933,518	-	44,933,518
Trade and other receivables*	7	887,081	-	887,081
		45,820,599	-	45,820,599
Trade and other payables#	12	-	(1,039,382)	(1,039,382)

* Excludes prepayments

Excludes Goods and Services Tax payables, net

28. New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2022 and earlier application is permitted; however, the Foundation has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to FRSs are not expected to have a significant impact on the Foundation's financial statements.

- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-Current*
- FRS 117 *Insurance Contracts and Amendments to FRS 117 Insurance Contracts*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Supplementary Financial Information – Statement of Financial Position

	Unrestricted General Fund \$	PWS Fund \$	Building Fund \$	Total \$
2023				
Non-current assets				
Plant and equipment	1,885,276	-	-	1,885,276
Intangible assets	1,338,585	-	-	1,338,585
Total non-current assets	3,223,861	-	-	3,223,861
Current assets				
Trade and other receivables	1,683,608	-	-	1,683,608
Inventories	27,449	-	-	27,449
Cash and cash equivalents	43,961,118	646,937	1,100,000	45,708,055
Total current assets	45,672,175	646,937	1,100,000	47,419,112
Total assets	48,896,036	646,937	1,100,000	50,642,973
Non-current liabilities				
Deferred capital grants	1,116,432	-	-	1,116,432
Grants received in advance	829,609	-	-	829,609
Total non-current liabilities	1,946,041	-	-	1,946,041
Current liabilities				
Trade and other payables	1,369,307	-	-	1,369,307
Deferred capital grants	733,674	-	-	733,674
Grants received in advance	1,956,189	-	-	1,956,189
Total current liabilities	4,059,170	-	-	4,059,170
Total liabilities	6,005,211	-	-	6,005,211
Net assets	42,890,825	646,937	1,100,000	44,637,762
2022				
Non-current assets				
Plant and equipment	1,615,318	-	-	1,615,318
Intangible assets	358,094	-	-	358,094
Total non-current assets	1,973,412	-	-	1,973,412
Current assets				
Trade and other receivables	986,986	-	-	986,986
Inventories	27,449	-	-	27,449
Cash and cash equivalents	43,207,319	626,199	1,100,000	44,933,518
Total current assets	44,221,754	626,199	1,100,000	45,947,953
Total assets	46,195,166	626,199	1,100,000	47,921,365
Non-current liabilities				
Deferred capital grants	1,001,409	-	-	1,001,409
Grants received in advance	493,348	-	-	493,348
Total current liabilities	1,494,757	-	-	1,494,757
Current liabilities				
Trade and other payables	1,072,085	-	-	1,072,085
Trade and other payables	120,670	-	-	120,670
Deferred capital grants	4,230,277	-	-	4,230,277
Grants received in advance	5,423,032	-	-	5,423,032
Total liabilities	6,917,789	-	-	6,917,789
Net assets	39,277,377	626,199	1,100,000	41,003,576

Supplementary Financial Information – Income Generating Activities and Related Costs

Voluntary Income and Cost of Generating Voluntary Income

	Income		Expenses*	
	2023 \$	2022 \$	2023 \$	2022 \$
Activities				
Direct appeal	589,726	708,800	(244,221)	(197,987)
Communications, such as newsletters and website	1,106,611	1,352,996	(211,378)	(150,348)
Outright donation	105,398	183,051	(112,243)	(79,397)
Sponsorship	83,126	49,657	(114,542)	(63,202)
Total	1,884,861	2,294,504	(682,384)	(490,934)

*Expenses pertaining to staff costs, 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

	Income		Expenses	
	2023 \$	2022 \$	2023 \$	2022 \$
Activities				
Lunar 7 th Month and Mid-Autumn Festival	1,024,296	961,433	(125,849)	(110,378)
Got to walk	302,919	315,112	(40,742)	(15,685)
Got to ride	5,050	-	-	-
Flag day	600	600	-	-
Donation boxes/Pledge cards	57,999	35,949	(1,569)	(4,762)
Millennium Ride	562,081	2,443	(124,023)	(67)
Others	311,409	234,290	(16,726)	(73,077)
Total	2,264,354	1,549,827	(308,909)	(203,969)

KIDNEYSG

Dialysis Foundation

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Tel: 6469 1178 **Fax:** 6469 3511

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Singapore 750405

Tel: 6555 1020 **Fax:** 6225 0080

REGISTRATION DETAILS:

KDF is a company limited by guarantee. It is registered as a charity under the Charities Act 1994 and is governed and monitored by the Charity Sector Administrator, the Ministry of Health on behalf of the Commissioner of Charities.

Charity Registration No. 1156 dated 22 February 1996

Company Registration No. 199600830Z

GST Registration No. 19-9600830-Z

IPC Registration No. HEF0021/G

(Status renewed up to 29 October 2024)