

# Financial Statements

## **Kidney Dialysis Foundation Limited**

(A Company Limited by Guarantee)

Registration Number: 199600830Z

### **Annual Report**

Year ended 31 March 2021

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) 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 Limited Foundation (the "Foundation") together with the audited financial statements of the Foundation for the financial year ended 31 March 2021.

In our opinion:

- (a) the financial statements set out on pages 39 to 72 are drawn up so as to give a true and fair view of the financial position of the Foundation as at 31 March 2021 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 Singapore Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") 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.

### 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 (Appointed on 1 July 2020)

### 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, Chapter 37 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.

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 was 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 minimum pledge of \$350,000. In July 2016, the Foundation signed a gift agreement for the funding of \$1,200,000 for another 3 years to continue the Foundation's collaboration with NUS. In October 2018, the Foundation further continued the collaboration with NUS with the signing of a 3-year gift agreement for the funding of \$1,500,000. The gift agreement was discontinued by the Foundation upon approval during the Annual General Meeting held on 22 August 2019.

## Directors' Statement

### Directors' Interests

Directors, who are also members of the Foundation, are Mr Cheng Wai Keung, Mr Stephen Lee Ching Yen, Dr Lim Cheok Peng, Mr Yeoh Oon Jin and Mr Watson Ong. 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 Singapore 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.

### 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 Singapore 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 Lim Cheok Peng**  
*Director*



**Yeoh Oon Jin**  
*Director*

8 September 2021

# 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 2021, 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 39 to 72.

In our opinion, the Foundation's financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Companies Act'), the Charities Act, Chapter 37 and other relevant regulations ('the Charities Act and Regulations'), and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Foundation as at 31 March 2021 and 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.

# Independent Auditors' Report

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

## *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 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**

**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

**Singapore**  
8 September 2021

# Statement of Financial Position

As at 31 March 2021

	Note	2021 \$	2020 \$
<b>Non-Current Assets</b>			
Plant and equipment	5	1,313,835	439,253
Intangible assets	6	10,632	37,152
<b>Total Non-Current Assets</b>		1,324,467	476,405
<b>Current Assets</b>			
Trade and other receivables	7	1,705,528	1,003,615
Inventory	8	27,449	27,449
Cash and cash equivalents	9	43,502,367	37,487,202
<b>Total Current Assets</b>		45,235,344	38,518,266
<b>Total Assets</b>		46,559,811	38,994,671
<b>Non-Current Liabilities</b>			
Deferred capital grants	10	13,588	85,222
Grants received in advance	11	1,568,234	1,706,606
<b>Total Non-Current Liabilities</b>		1,581,822	1,791,828
<b>Current Liabilities</b>			
Deferred capital grants	10	68,800	115,763
Grants received in advance	11	4,636,143	521,906
Trade and other payables	12	1,576,770	876,281
<b>Total Current Liabilities</b>		6,281,713	1,513,950
<b>Total Liabilities</b>		7,863,535	3,305,778
<b>Net Assets</b>		38,696,276	35,688,893
<b>Funds of the Foundation:</b>			
<i>Unrestricted Funds</i>			
General Fund		36,986,078	34,304,442
<i>Restricted Funds</i>			
Building Fund	13	1,093,160	991,495
Patient Welfare Support ("PWS") Fund	14	617,038	392,956
<b>Total Funds</b>		38,696,276	35,688,893
<b>Members' Guarantee</b>	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 2021

2021	Note	Restricted					Total
		Unrestricted General Fund	Building Fund	CST Fund	PWS Fund	Research Fund	
		\$	\$	\$	\$	\$	\$
<b>Income/Incoming resources</b>							
<b>Incoming resources from generated funds</b>							
Voluntary income (donations)	17	2,315,034	101,665	-	249,307	5,150	2,671,156
Funds generating activities	17	648,182	-	-	-	-	648,182
Sponsorship	17	157,816	-	-	-	-	157,816
Investment income	18	442,755	-	-	-	-	442,755
Other income		530,003	-	-	-	-	530,003
		4,093,790	101,665	-	249,307	5,150	4,449,912
<b>Charitable activities</b>							
Charitable income (mainly dialysis services and medication fees)	19	3,162,357	-	-	-	-	3,162,357
Less: subsidies to patients	19	(543,013)	-	-	(25,225)	-	(568,238)
Government subsidies	20	3,377,612	-	1,358,609	-	-	4,736,221
		5,996,956	-	1,358,609	(25,225)	-	7,330,340
<b>Total income/incoming resources</b>		10,090,746	101,665	1,358,609	224,082	5,150	11,780,252
<b>Expenditure/Resources expended</b>							
<b>Cost of generating funds</b>							
Cost of generating voluntary income	21	495,258	-	-	-	-	495,258
Cost of fund generating activities		85,840	-	-	-	-	85,840
		581,098	-	-	-	-	581,098
<b>Cost of charitable activities</b>							
Dialysis services and medication cost	22	6,311,186	-	1,358,609	-	-	7,669,795
Contribution to NUS Research Fund		-	-	-	-	-	-
		6,311,186	-	1,358,609	-	-	7,669,795
Governance costs	23	521,976	-	-	-	-	521,976
<b>Total expenditure/resources expended</b>		7,414,260	-	1,358,609	-	-	8,772,869
<b>Net surplus for the year, representing total comprehensive income for the year</b>	24	2,676,486	101,665	-	224,082	5,150	3,007,383

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

# Statement of Income and Expenditure and Other Comprehensive Income

Year ended 31 March 2021

2020	Note	Restricted					Total
		Unrestricted General Fund	Building Fund	CST Fund	PWS Fund	Research Fund	
		\$	\$	\$	\$	\$	\$
<b>Income/Incoming resources</b>							
<b>Incoming resources from generated funds</b>							
Voluntary income (donations)	17	2,034,111	389,072	-	147,853	7,170	2,578,206
Funds generating activities	17	1,217,306	-	-	-	-	1,217,306
Sponsorship	17	34,717	-	-	-	-	34,717
Investment income	18	650,409	-	-	-	-	650,409
Other income		20,384	-	-	-	-	20,384
		3,956,927	389,072	-	147,853	7,170	4,501,022
<b>Charitable activities</b>							
Charitable income (mainly dialysis services and medication fees)	19	2,741,348	-	-	-	-	2,741,348
Less: subsidies to patients	19	(390,478)	-	-	(33,443)	-	(423,921)
Government subsidies	20	3,196,458	-	2,031,379	-	-	5,227,837
		5,547,328	-	2,031,379	(33,443)	-	7,545,264
<b>Total income/incoming resources</b>		9,504,255	389,072	2,031,379	114,410	7,170	12,046,286
<b>Expenditure/Resources expended</b>							
<b>Cost of generating funds</b>							
Cost of generating voluntary income	21	648,519	-	-	-	-	648,519
Cost of fund generating activities		167,654	-	-	-	-	167,654
		816,173	-	-	-	-	816,173
<b>Cost of charitable activities</b>							
Dialysis services and medication cost	22	5,617,400	-	2,031,379	-	-	7,648,779
Contribution to NUS Research Fund		-	-	-	-	500,000	500,000
		5,617,400	-	2,031,379	-	500,000	8,148,779
Governance costs	23	548,326	-	-	-	-	548,326
<b>Total expenditure/resources expended</b>		6,981,899	-	2,031,379	-	500,000	9,513,278
<b>Net surplus/(deficit) for the year, representing total comprehensive income for the year</b>	24	2,522,356	389,072	-	114,410	(492,830)	2,533,008

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



## Statement of Changes in Funds

Year ended 31 March 2021

	Unrestricted General Fund	Restricted Building Fund	Restricted PWS Fund	Restricted Research Fund	Total
	\$	\$	\$	\$	\$
<b>At 1 April 2019</b>	32,274,916	602,423	278,546	-	33,155,885
Transfer between funds <sup>1</sup>	(492,830)	-	-	492,830	-
Net surplus/(deficit) for the year, representing total comprehensive income for the year	2,522,356	389,072	114,410	(492,830)	2,533,008
<b>At 31 March 2020</b>	34,304,442	991,495	392,956	-	35,688,893
Transfer between funds <sup>1</sup>	5,150	-	-	(5,150)	-
Net surplus for the year, representing total comprehensive income for the year	2,676,486	101,665	224,082	5,150	3,007,383
<b>At 31 March 2021</b>	36,986,078	1,093,160	617,038	-	38,696,276

<sup>1</sup> In 2021, the Foundation transferred an amount of \$5,150 from Research Fund to Unrestricted General Fund as the KDF-NUS Research Fund was discontinued by the Foundation upon approval by the Board of Directors during the Annual General Meeting held on 22 August 2019. In 2020, the Foundation transferred an amount \$492,830 from the Unrestricted General Fund to Research Fund for its approved designated purposes. Further information is included in note 15.

# Statement of Cash Flows

Year ended 31 March 2021

2021	Note	Restricted					Total
		Unrestricted General Fund	Building Fund	CST Fund	PWS Fund	Research Fund	
		\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>							
Net surplus for the year		2,676,486	101,665	-	224,082	5,150	3,007,383
Adjustments for:							
Depreciation of plant and equipment	24	150,868	-	99,660	-	-	250,528
Gain on disposal of plant and equipment	24	(23,023)	-	-	-	-	(23,023)
Amortisation of intangible assets	24	10,873	-	18,937	-	-	29,810
Amortisation of deferred capital grants	10	-	-	(118,597)	-	-	(118,597)
Utilisation to fund operating expenditure	11	-	-	(1,240,012)	-	-	(1,240,012)
Government grants and subsidies income		(3,377,612)	-	-	-	-	(3,377,612)
Investment income	18	(442,755)	-	-	-	-	(442,755)
		(1,005,163)	101,665	(1,240,012)	224,082	5,150	(1,914,278)
Changes in:							
- Trade and other receivables		(923,646)	-	-	-	-	(923,646)
- Trade and other payables		700,489	-	-	-	-	700,489
Cash (used in)/generated from operations		(1,228,320)	101,665	(1,240,012)	224,082	5,150	(2,137,435)
Government grants and subsidies received, net		3,377,612	-	5,215,877	-	-	8,593,489
<b>Net cash flows from operating activities</b>		<b>2,149,292</b>	<b>101,665</b>	<b>3,975,865</b>	<b>224,082</b>	<b>5,150</b>	<b>6,456,054</b>
<b>Cash flows from investing activities</b>							
Proceeds from disposal of plant and equipment		31,423	-	-	-	-	31,423
Purchase of plant and equipment	5	(1,133,510)	-	-	-	-	(1,133,510)
Purchase of intangible assets	6	(3,290)	-	-	-	-	(3,290)
Changes in placement of fixed deposits with banks, net		9,802,328	-	-	-	-	9,802,328
Interest received		664,488	-	-	-	-	664,488
<b>Net cash flows from investing activities</b>		<b>9,361,439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,361,439</b>
<b>Net increase in cash and cash equivalents</b>		<b>11,510,731</b>	<b>101,665</b>	<b>3,975,865</b>	<b>224,082</b>	<b>5,150</b>	<b>15,817,493</b>
Gross transfer between funds (Note A)		3,981,015	-	(3,975,865)	-	(5,150)	-
Cash and cash equivalents at beginning of year		11,181,242	991,495	-	392,956	-	12,565,693
<b>Cash and cash equivalents at end of year</b>	9	<b>26,672,988</b>	<b>1,093,160</b>	<b>-</b>	<b>617,038</b>	<b>-</b>	<b>28,383,186</b>

## Note A

The transfer between Unrestricted General Fund and CST Fund relates to utilisation of funds granted by Ministry of Health. The transfer between Unrestricted General Fund and Research Fund relates to the discontinuation of KDF-NUS Research Fund approved by the Board of Directors during the Annual General Meeting held on 22 August 2019 (see note 15).

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

# Statement of Cash Flows

Year ended 31 March 2021

2020	Note	Restricted					Total
		Unrestricted General Fund	Building Fund	CST Fund	PWS Fund	Research Fund	
		\$	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>							
Net surplus/(deficit) for the year		2,522,356	389,072	-	114,410	(492,830)	2,533,008
Adjustments for:							
Depreciation of plant and equipment		125,310	-	159,889	-	-	285,199
Gain on disposal of plant and equipment	24	(2,990)	-	-	-	-	(2,990)
Amortisation of intangible assets		11,001	-	67,084	-	-	78,085
Amortisation of deferred capital grants	10	-	-	(226,973)	-	-	(226,973)
Utilisation to fund operating expenditure	11	-	-	(1,804,406)	-	-	(1,804,406)
Government grants and subsidies income		(3,196,458)	-	-	-	-	(3,196,458)
Investment income	18	(650,409)	-	-	-	-	(650,409)
		(1,191,190)	389,072	(1,804,406)	114,410	(492,830)	(2,984,944)
Changes in:							
- Trade and other receivables		(71,169)	-	-	-	-	(71,169)
- Trade and other payables		56,553	-	-	-	-	56,553
Cash (used in)/generated from operations		(1,205,806)	389,072	(1,804,406)	114,410	(492,830)	(2,999,560)
Government grants and subsidies received		3,196,458	-	2,399,790	-	-	5,596,248
<b>Net cash flows from/(used in) operating activities</b>		1,990,652	389,072	595,384	114,410	(492,830)	2,596,688
<b>Cash flows from investing activities</b>							
Proceeds from disposal of plant and equipment		3,000	-	-	-	-	3,000
Purchase of plant and equipment	5	(47,300)	-	(9,799)	-	-	(57,099)
Changes in placement of fixed deposits with banks, net		7,210,261	-	-	-	-	7,210,261
Interest received		581,706	-	-	-	-	581,706
<b>Net cash flows from/(used in) investing activities</b>		7,747,667	-	(9,799)	-	-	7,737,868
<b>Net increase/(decrease) in cash and cash equivalents</b>							
		9,738,319	389,072	585,585	114,410	(492,830)	10,334,556
Gross transfer between funds (Note A)		92,755	-	(585,585)	-	492,830	-
Cash and cash equivalents at beginning of year		1,350,168	602,423	-	278,546	-	2,231,137
<b>Cash and cash equivalents at end of year</b>	9	11,181,242	991,495	-	392,956	-	12,565,693

## Note A

The transfer between Unrestricted General Fund and CST Fund relates to utilisation of funds granted by Ministry of Health. The transfer between Unrestricted General Fund and Research Fund relates to utilisation of funds for its approved designated purposes (see note 15).

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 [date of signing].

## 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, Chapter 37 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.

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 was 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 minimum pledge of \$350,000. In July 2016, the Foundation signed a gift agreement for the funding of \$1,200,000 for another 3 years to continue the Foundation's collaboration with NUS. In October 2018, the Foundation further continued the collaboration with NUS with the signing of a 3-year gift agreement for the funding of \$1,500,000. The gift agreement will be used to fund research projects undertaken by NUS Medicine to prevent, treat and cure kidney and kidney-related diseases. On 22 August 2019, it was approved during the Annual General Meeting that the Research Fund will be discontinued by the Foundation.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

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

### 2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated in the notes 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 the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

# Notes to the Financial Statements

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 Foundation has applied the following amendments to FRSs for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- *Interest Rate Benchmark Reform* (Amendments to FRS 109, FRS 39 and FRS 107)

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 by the Foundation 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, 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.

# Notes to the Financial Statements

## 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;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; 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.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

## 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.

# Notes to the Financial Statements

## **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.

## Notes to the Financial Statements

### 3.2 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 recognised in statement of income and expenditure

#### **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 statement of income and expenditure 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 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.

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.



## Notes to the Financial Statements

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, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

Software - 3 years

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

### 3.4 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 borrower 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.

# Notes to the Financial Statements

## **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 borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower 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 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 ("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 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 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 CGU) 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.

## Notes to the Financial Statements

### 3.5 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 statement of income and expenditure in the financial years during which 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.

### 3.6 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.

#### ***Jobs Support Scheme ("JSS")***

JSS grant is 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.

### 3.7 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.

# Notes to the Financial Statements

## ***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.

### 3.8 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.

## Notes to the Financial Statements

### 3.9 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 foundations 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 performance obligations if it relates specifically to those performance obligations.

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.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

## Notes to the Financial Statements

### 3.10 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 three 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.

### 3.11 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Foundation has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Foundation's statement of financial position.

- *FRS 117 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)
- *Covid-19-Related Rent Concessions* (Amendment to FRS 116)
- *Reference to the Conceptual Framework* (Amendments to FRS 103)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to FRS 110 and FRS 28)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to FRS 37)
- *Annual Improvements to FRSs 2018 – 2020*

## Notes to the Financial Statements

### 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
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
At 1 April 2019	98,289	151,288	244,376	1,991,252	95,613	740,530	3,321,348
Additions	9,700	10,240	1,217	3,092	7,630	25,220	57,099
Disposals	(9,422)	(15,315)	(2,123)	(64,430)	(2,600)	-	(93,890)
At 31 March 2020	98,567	146,213	243,470	1,929,914	100,643	765,750	3,284,557
Additions	9,250	36,146	-	1,061,900	24,664	1,550	1,133,510
Disposals	(5,171)	(26,730)	(6,716)	(204,523)	(13,655)	(1,551)	(258,346)
At 31 March 2021	102,646	155,629	236,754	2,787,291	111,652	765,749	4,159,721
<b>Accumulated depreciation</b>							
At 1 April 2019	63,630	135,167	242,290	1,430,789	65,228	716,881	2,653,985
Depreciation for the year	15,558	13,465	1,355	219,949	14,954	19,918	285,199
Disposals	(9,420)	(15,313)	(2,123)	(64,426)	(2,598)	-	(93,880)
At 31 March 2020	69,768	133,319	241,522	1,586,312	77,584	736,799	2,845,304
Depreciation for the year	14,871	13,617	1,063	187,962	15,114	17,901	250,528
Disposals	(5,171)	(21,651)	(6,714)	(202,786)	(12,073)	(1,551)	(249,946)
At 31 March 2021	79,468	125,285	235,871	1,571,488	80,625	753,149	2,845,886
<b>Carrying amounts</b>							
At 1 April 2019	34,659	16,121	2,086	560,463	30,385	23,649	667,363
At 31 March 2020	28,799	12,894	1,948	343,602	23,059	28,951	439,253
At 31 March 2021	23,178	30,344	883	1,215,803	31,027	12,600	1,313,835

## Notes to the Financial Statements

### 6 INTANGIBLE ASSETS

	<b>Software</b>
	<b>\$</b>
<b>Cost</b>	
At 1 April 2019	483,416
Disposals	(47,398)
At 31 March 2020	436,018
Additions	3,290
Disposals	(7,756)
At 31 March 2021	431,552
<b>Accumulated amortisation</b>	
At 1 April 2019	368,179
Amortisation for the year	78,085
Disposals	(47,398)
At 31 March 2020	398,866
Amortisation for the year	29,810
Disposals	(7,756)
At 31 March 2021	420,920
<b>Carrying amounts</b>	
At 1 April 2019	115,237
At 31 March 2020	37,152
At 31 March 2021	10,632

### 7 TRADE AND OTHER RECEIVABLES

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	1,134,944	515,692
Less: Allowance for doubtful trade receivables	(1,486)	(1,486)
	1,133,458	514,206
Interest receivable	134,719	356,452
Other receivables	47,428	2,276
Deposits	97,581	50,504
	1,413,186	923,438
Prepayments	292,342	80,177
	1,705,528	1,003,615

The Foundation's exposures to credit and currency risks related to trade and other receivables are disclosed in note 27.



## Notes to the Financial Statements

### 8 INVENTORY

	2021	2020
	\$	\$
Medical consumables	27,449	27,449

In 2021, inventories of \$890,732 (2020: \$560,153) were recognised as an expense during the year.

### 9 CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Fixed deposits	38,149,424	35,358,656
Cash held with bank	5,352,943	2,128,546
Cash and cash equivalents in statement of financial position	43,502,367	37,487,202
Less:		
Fixed deposits with maturity greater than 90 days	(15,119,181)	(24,921,509)
Cash and cash equivalents in the statement of cash flows	28,383,186	12,565,693

The effective interest rates per annum relating to fixed deposits at the reporting date range from 0.28% to 2.03% (2020: 0.98% to 2.03%) per annum. The fixed deposits mature at intervals of one to twelve months (2020: one to twelve months).

### 10 DEFERRED CAPITAL GRANTS

	Note	2021	2020
		\$	\$
Balance at the beginning of the year		200,985	418,159
Add:			
Grants received for capital expenditure transferred from grants received in advance	11	-	9,799
		200,985	427,958
Less:			
Amortisation during the year		(118,597)	(226,973)
Balance at the end of the year		82,388	200,985
Classified as:			
Non-current		13,588	85,222
Current		68,800	115,763
		82,388	200,985

## Notes to the Financial Statements

### 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	2021 \$	2020 \$
Balance at the beginning of the year		2,228,512	1,642,927
Add:			
Grants received during the year		5,258,135	2,399,790
		7,486,647	4,042,717
Less:			
Transferred to deferred capital grant	10	-	(9,799)
Refunded on expired grants		(42,258)	-
Utilisation to fund operating expenditure			
- Transport subsidies for needy patients		-	(177,270)
- Exercise rehabilitation programme		(138,372)	(175,356)
- Service providers		(1,101,640)	(1,451,780)
	20	(1,240,012)	(1,804,406)
Balance at the end of the year		6,204,377	2,228,512
Classified as:			
Non-current		1,568,234	1,706,606
Current		4,636,143	521,906
		6,204,377	2,228,512

### 12 TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Trade payables	929,795	461,080
Other payables	176,026	73,878
Goods and Services Tax payables, net	58,881	41,643
Accrued operating expenses	369,300	264,484
Accrual for unutilised annual leave	42,768	35,196
	1,576,770	876,281

The Foundation’s exposures to currency and liquidity risks related to trade and other payables are disclosed in note 27.

## Notes to the Financial Statements

### 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. During the year, the Foundation has received a donation of \$101,665 (2020: \$389,072) from San Wang Wu Ti Religious Society.

### 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.

	2021	2020
	\$	\$
Balance at beginning of the year	392,956	278,546
Donations received	249,307	147,853
Subsidies provided to patients	(25,225)	(33,443)
Balance at the end of the year	617,038	392,956

### 15 RESTRICTED RESEARCH FUND

The Research Fund consists 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 minimum amount 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.

In 2018, the Foundation signed a gift agreement with NUS for a funding of \$1,500,000 over 3 years for the research for prevention, treatment and cure of kidney and kidney related diseases.

In 2020, the Foundation transferred \$492,830 from the Unrestricted General Fund to the Restricted Research Fund to support the research. As at 31 March 2020, cumulative to date, the Foundation has donated \$3,650,000 to the KDF-NUS Research Fund.

In 2021, the Foundation transferred \$5,150 from the Restricted Research Fund to the Unrestricted General Fund as the KDF-NUS Research Fund was discontinued by the Foundation upon approval during the Annual General Meeting held on 22 August 2019.

### 16 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.

## Notes to the Financial Statements

### 17 INCOMING RESOURCES FROM GENERATED FUNDS

Donations received during the year are included as follows:

	2021	2020
	\$	\$
Voluntary income (donations)	2,671,156	2,578,206
Income from funds generating activities	648,182	1,217,306
Sponsorship	157,816	34,717
	3,477,154	3,830,229

During the year, the donations received comprise tax-deductible and non-tax-deductible donations of \$2,916,443 (2020: \$3,250,738) and \$560,712 (2020: \$579,491) respectively.

Sponsorships received in 2021 and 2020 comprised cash sponsorship .

### 18 INVESTMENT INCOME

	2021	2020
	\$	\$
Interest income on fixed deposits	442,755	650,409

### 19 CHARITABLE INCOME

	2021	2020
	\$	\$
Dialysis services and medication fee	3,162,357	2,741,348
Less: Subsidies provided by the Foundation to patients	(568,238)	(423,921)
	2,594,119	2,317,427

### 20 GOVERNMENT SUBSIDIES

Government subsidies received of \$3,377,612 (2020: \$3,196,458) 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.

## Notes to the Financial Statements

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	2021 \$	2020 \$
Operating expenditures	11	1,240,012	1,804,406
Depreciation of plant and equipment	24	99,660	159,889
Amortisation of intangible assets	24	18,937	67,084
		1,358,609	2,031,379

### 21 COSTS OF GENERATING VOLUNTARY INCOME

	2021 \$	2020 \$
Direct mailing materials and services	252,553	271,396
Staff costs	209,822	330,782
Administrative and operating expenses	32,883	46,341
	495,258	648,519

### 22 DIALYSIS SERVICES AND MEDICATION COST

	2021 \$	2020 \$
Expenditure paid to dialysis service providers and medication expenditure	3,089,658	4,060,539
Honorarium paid to visiting doctors	89,600	113,410
Staff costs	2,269,592	1,737,493
Depreciation of plant and equipment	234,958	269,321
Rental and utilities	133,329	114,328
Non-claimable GST input tax	327,224	251,442
Repair and maintenance expense	78,793	40,635
Administrative and operating expenses	1,446,641	1,061,611
	7,669,795	7,648,779

#### **Donated services**

The Foundation receives professional services from doctors and lawyers on a voluntary basis. Honorarium totalling \$89,600 (2020: \$113,410) for 12 (2020: 12) volunteer doctors was paid directly to the restructured hospitals and volunteer doctors for the services rendered.

## Notes to the Financial Statements

### 23 GOVERNANCE COSTS

	2021	2020
	\$	\$
Staff costs	272,449	249,834
Depreciation of plant and equipment	15,570	15,878
Amortisation of intangible assets	29,810	78,085
Rental and utilities	14,396	16,387
(Reversal of)/Non-claimable GST input tax	(5,702)	34,757
Repair and maintenance expense	42,727	45,555
Administrative and operating expenses	152,726	107,830
	521,976	548,326

### 24 NET SURPLUS FOR THE YEAR

Net surplus for the year includes the following:

	Note	2021	2020
		\$	\$
External audit fees		43,450	37,700
Internal audit fees		24,275	22,892
Depreciation of plant and equipment			
- General fund		150,868	125,310
- CST	20	99,660	159,889
Amortisation of intangible assets			
- General fund		10,873	11,001
- CST	20	18,937	67,084
Gain on disposal of plant and equipment		(23,023)	(2,990)
Reversal of impairment loss on trade receivables		-	(225)
Short-term leases		26,760	32,216
Amortisation of deferred capital grants	10	(118,597)	(226,973)
Special Employment & Wage Credit Scheme		(36,561)	(12,829)
Jobs Support Scheme grant		(414,813)	-

In 2021, the Foundation received \$442,269 in relation to Jobs Support Scheme grant ("JSS"). JSS is a wage subsidy programme introduced in Singapore in response to the COVID-19 coronavirus pandemic. The grant is 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. As a result, \$414,813 was recognised as other income in 2021 and the residual amount of \$27,456 was deferred and recognised as other payables as at 31 March 2021.

Total staff cost of \$2,751,863 (2020: \$2,318,109) includes contributions to defined contribution plan amounting to \$278,469 (2020: \$230,141).

### 25 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. No provision for taxation has been made in the Foundation's financial statements.

## Notes to the 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 Managers received remuneration that is approved by the Board of Directors.

	Salaries	AWS and variable bonus	Contributions to Central Provident Fund	Total
	\$	\$	\$	\$
<b>31 March 2021</b>				
Key management personnel	350,868	42,993	56,526	450,387
<b>31 March 2020</b>				
Key management personnel	291,419	44,887	52,662	388,968

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:

	Transaction value for the year ended 31 March		Balance outstanding as at 31 March	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Type of services rendered</b>				
Internal audit services	24,275	22,892	-	-

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.

# Notes to the Financial Statements

## 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.



## Notes to the Financial Statements

### **Exposure to credit risk**

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

	Carrying amount	
	2021	2020
	\$	\$
Corporate – insurance providers	1,111,762	513,529
Individual patients	21,696	677
	1,133,458	514,206

The carrying amount of the Foundation's most significant customer, an insurance provider was \$809,352 (2020: \$161,353) at 31 March 2021.

### **Impairment losses**

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

	2021		2020	
	Not credit impaired	Credit impaired	Not credit impaired	Credit impaired
	\$	\$	\$	\$
Not past due	265,267	–	185,102	–
Past due 1-30 days	373,958	–	7,226	–
Past due 31-60 days	399,362	–	321,878	–
Past due 61-90 days	94,871	–	–	–
Past due more than 365 days	–	1,486	–	1,486
<b>Total gross carrying amount</b>	1,133,458	1,486	514,206	1,486
Loss allowance	–	(1,486)	–	(1,486)
	1,133,458	–	514,206	–

The Foundation's credit impaired trade receivables of \$1,486 as at 31 March 2021 (2020: \$1,486) related to a few patients that have informed the Foundation of their inability to pay for the outstanding invoices due to financial difficulties. In 2020, the Foundation has made full allowance for impairment losses on these receivables.

### **Expected credit loss assessment for trade receivables as at 31 March 2021**

The Foundation uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased.

## Notes to the Financial Statements

The following table provides information about the exposure to credit risk and ECLs for trade receivables for customers as at 31 March:

	Weighted average loss rate	Gross carrying amount \$	Impairment loss allowance \$	Credit impaired
<b>2021</b>				
Current (not past due)	-	265,267	-	No
1 – 30 days past due	-	373,958	-	No
31 – 60 days past due	-	399,362	-	No
61 – 90 days past due	-	94,871	-	No
More than 365 days past due	100%	1,486	(1,486)	Yes
		<u>1,134,944</u>	<u>(1,486)</u>	
<b>2020</b>				
Current (not past due)	-	185,102	-	No
1 – 30 days past due	-	7,226	-	No
31 – 60 days past due	-	321,878	-	No
61 – 90 days past due	-	-	-	No
More than 365 days past due	100%	1,486	(1,486)	Yes
		<u>515,692</u>	<u>(1,486)</u>	

Loss rates are based on actual credit loss experience over the past four years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Foundation's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast Singapore Consumer Price Index Growth rate.

### ***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	
	2021	2020
	\$	\$
Balance at beginning of the year	1,486	1,711
Reversal of allowance – bad debts recovered	-	(225)
Balance at the end of the year	<u>1,486</u>	<u>1,486</u>

### ***Cash and cash equivalents***

The Foundation held cash and cash equivalents of \$43,502,367 at 31 March 2021 (2020: \$37,487,202). The cash and cash equivalents are held with bank counterparties, which are rated from A3 to Aa1 (2020: A3 to Aa1), based on Moody's ratings, except for fixed deposits of \$8,536,345 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.

## Notes to the Financial Statements

### **Interest 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 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	Cash flows		
		Contractual cash flows	Within 1 year	Between 1 to 5 years
	\$	\$	\$	\$
<b>2021</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	1,576,770	(1,576,770)	(1,576,770)	-
<b>2020</b>				
<b>Non-derivative financial liabilities</b>				
Trade and other payables	876,281	(876,281)	(876,281)	-

### **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:

	2021	2020
	\$	\$
<b>Fixed rate instruments</b>		
Fixed deposits	38,149,424	35,358,656

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.

## Notes to the Financial Statements

### 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.

### 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, trade and other payables and grant received in advance) 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	Amortised cost \$	Other financial liabilities \$	Total carrying amount \$	Fair value \$
<b>31 March 2021</b>					
Cash and cash equivalents	9	43,502,367	–	43,502,367	43,502,367
Trade and other receivables*	7	1,413,186	–	1,413,186	1,413,186
		44,915,553		44,915,553	44,915,553
Trade and other payables	12	–	(1,576,770)	(1,576,770)	(1,576,770)
<b>31 March 2020</b>					
Cash and cash equivalents	9	37,487,202	–	37,487,202	37,487,202
Trade and other receivables*	7	923,438	–	923,438	923,438
		38,410,640	–	38,410,640	38,410,640
Trade and other payables	12	–	(876,281)	(876,281)	(876,281)

\* Excludes prepayments

## Notes to the Financial Statements

### Supplementary Financial Information – Statement of Financial Position

2021	Unrestricted General Fund \$	Restricted		Total \$
		PWS Fund \$	Building Fund \$	
<b>Non-current assets</b>				
Plant and equipment	1,313,835	-	-	1,313,835
Intangible assets	10,632	-	-	10,632
<b>Total non-current assets</b>	<b>1,324,467</b>	<b>-</b>	<b>-</b>	<b>1,324,467</b>
<b>Current assets</b>				
Trade and other receivables	1,705,528	-	-	1,705,528
Inventories	27,449	-	-	27,449
Cash and cash equivalents	41,792,169	617,038	1,093,160	43,502,367
<b>Total current assets</b>	<b>43,525,146</b>	<b>617,038</b>	<b>1,093,160</b>	<b>45,235,344</b>
<b>Total assets</b>	<b>44,849,613</b>	<b>617,038</b>	<b>1,093,160</b>	<b>46,559,811</b>
<b>Non-current liabilities</b>				
Deferred capital grants	13,588	-	-	13,588
Grants received in advance	1,568,234	-	-	1,568,234
	1,581,822	-	-	1,581,822
<b>Current liabilities</b>				
Trade and other payables	1,576,770	-	-	1,576,770
Deferred capital grants	68,800	-	-	68,800
Grants received in advance	4,636,143	-	-	4,636,143
	6,281,713	-	-	6,281,713
<b>Total liabilities</b>	<b>7,863,535</b>	<b>-</b>	<b>-</b>	<b>7,863,535</b>
<b>Net assets</b>	<b>36,986,078</b>	<b>617,038</b>	<b>1,093,160</b>	<b>38,696,276</b>

## Notes to the Financial Statements

2020	Unrestricted General Fund \$	Restricted		Total \$
		PWS Fund \$	Building Fund \$	
<b>Non-current assets</b>				
Plant and equipment	439,253	-	-	439,253
Intangible assets	37,152	-	-	37,152
<b>Total non-current assets</b>	<b>476,405</b>	<b>-</b>	<b>-</b>	<b>476,405</b>
<b>Current assets</b>				
Trade and other receivables	1,003,615	-	-	1,003,615
Inventories	27,449	-	-	27,449
Cash and cash equivalents	36,102,751	392,956	991,495	37,487,202
<b>Total current assets</b>	<b>37,133,815</b>	<b>392,956</b>	<b>991,495</b>	<b>38,518,266</b>
<b>Total assets</b>	<b>37,610,220</b>	<b>392,956</b>	<b>991,495</b>	<b>38,994,671</b>
<b>Non-current liabilities</b>				
Deferred capital grants	85,222	-	-	85,222
Grants received in advance	1,706,606	-	-	1,706,606
	1,791,828	-	-	1,791,828
<b>Current liabilities</b>				
Trade and other payables	876,281	-	-	876,281
Deferred capital grants	115,763	-	-	115,763
Grants received in advance	521,906	-	-	521,906
	1,513,950	-	-	1,513,950
<b>Total liabilities</b>	<b>3,305,778</b>	<b>-</b>	<b>-</b>	<b>3,305,778</b>
<b>Net assets</b>	<b>34,304,442</b>	<b>392,956</b>	<b>991,495</b>	<b>35,688,893</b>

## Notes to the Financial Statements

### Supplementary Financial Information – Income Generating Activities and Related Costs

#### Voluntary Income and Cost of Generating Voluntary Income

	Income		Expenses*	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Activities</b>				
Direct appeal	1,264,150	1,493,848	(204,778)	(324,367)
Communications, such as newsletters and website	1,212,772	907,576	(139,521)	(249,294)
Outright donation	189,084	169,612	(60,757)	(47,943)
Research	5,150	7,170	-	(894)
Sponsorship	157,816	34,717	(90,202)	(26,021)
<b>Total</b>	<b>2,828,972</b>	<b>2,612,923</b>	<b>(495,258)</b>	<b>(648,519)</b>

\* 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	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Activities</b>				
Lunar 7 <sup>th</sup> month	193,504	373,329	(27,445)	(57,670)
Flag day	19,359	48,369	-	(3,765)
Donation boxes/Pledge cards	40,745	30,967	(1,855)	(1,889)
Millennium Ride	105,621	289,047	(41,158)	(55,614)
Others	288,953	475,594	(15,382)	(48,716)
<b>Total</b>	<b>648,182</b>	<b>1,217,306</b>	<b>(85,840)</b>	<b>(167,654)</b>







**MAIN OFFICE**

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