



FINANCIAL  
REPORT  
2020



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# Financial Statements

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## DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Healthserve Ltd. (the "Company") for the financial year ended 31 December 2020.

In the opinion of the directors,

- the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and the financial performance, changes in funds and cash flows of the Company for the financial year covered by the financial statements; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### DIRECTORS

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

Saw Seang Kuan (Su XiangGuang)	Susan Kong Yim Pui
Chan Kum Kit	* Chan Lai Gwen
Chan Chia Lin	* Chee May May Serene
Chong Peng Choon Calvin	* Choy Peng Wah
Jeremy Lim Fung Yen	* Lien I-Hsien Gail

\* New Directors appointed on 21 September 2020.

### ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of any other body corporate.

### DIRECTORS' INTERESTS

As the Company is a public company limited by guarantee and has no share capital, matters relating to the directors' interests in shares, debentures, and share options of the Company are not applicable.

### AUDITORS

The Auditors, Messrs Lo Hock Ling & Co., have expressed their willingness to accept re-appointment

On behalf of the Board of Directors,

**CHAN CHIA LIN**  
Director

**CHAN KUM KIT**  
Director

Singapore



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHSERVE LTD.

(INCORPORATED IN THE REPUBLIC OF SINGAPORE AND LIMITED BY GUARANTEE)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Healthserve Ltd. (the "Company") set out on pages 6 to 27, which comprise the statement of financial position (balance sheet) as at 31 December 2020, and the statement of 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.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Company as at 31 December 2020 and the results, changes in funds and cash flows of the Company 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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. The other information comprises the information included in the Directors' Statement set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company 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 Company has not used the donation moneys in accordance with its objectives as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. the Company has not complied with the requirements of regulation 15 of the Charities (Institutions of a Public Character) Regulations.

### LO HOCK LING & CO.

Public Accountants and Chartered Accountants Singapore

Singapore



# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

2020				
	NOTES	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL
		\$	\$	\$
<b>INCOME</b>				
<u>Donations</u>				
General donations		3,511,618	-	3,511,618
Donation in kind		82,409	-	82,409
Migrant assistance fund		5,748	1,284,864	1,290,612
Medical fund		6,000	97,046	103,046
Mental health fund		-	186,840	186,840
<b>TOTAL DONATIONS</b>		<b>3,605,775</b>	<b>1,568,750</b>	<b>5,174,525</b>
Grants	3	976,617	2,213	978,830
Clinic services and programme		50,968	-	50,968
Other income	4	362,855	-	362,855
<b>TOTAL INCOME</b>		<b>4,996,215</b>	<b>1,570,963</b>	<b>6,567,178</b>
<u>EXPENDITURE</u>				
Amortisation of intangible assets	7	6,008	-	6,008
Communication and publicity		96,459	-	96,459
Depreciation on property, plant and equipment	8	44,904	3,005	47,909
Depreciation on right-of-use assets	9	114,102	-	114,102
Manpower expense	5	1,443,842	2,213	1,446,055
Fund-raising expenses		34,281	147	34,428
General and administrative		50,033	402	50,435
Interest on lease liabilities	14	5,546	-	5,546
Migrant assistance programme		81,751	535,397	617,148
Medical programme		51,586	24,324	75,910
Mental health programme		8,559	-	8,559
Research and advocacy		68,050	-	68,050
Rental of premises		-	-	-
<b>TOTAL EXPENDITURE</b>		<b>2,005,121</b>	<b>565,488</b>	<b>2,570,609</b>
Surplus/(deficit) for the year		2,991,094	1,005,475	3,996,569
<u>Other Comprehensive Income</u>				
Other comprehensive income		-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,991,094</b>	<b>1,005,475</b>	<b>3,996,569</b>

2019				
	NOTES	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL
		\$	\$	\$
<b>INCOME</b>				
<u>Donations</u>				
General donations		1,083,097	-	1,083,097
Donation in kind		-	-	-
Migrant assistance fund		13,932	50,000	63,932
Medical fund		-	140,500	140,500
Mental health fund		-	-	-
<b>TOTAL DONATIONS</b>		<b>1,097,029</b>	<b>190,500</b>	<b>1,287,529</b>
Grants	3	7,847	-	7,847
Clinic services and programme		86,416	-	86,416
Other income	4	123,140	-	123,140
<b>TOTAL INCOME</b>		<b>1,314,432</b>	<b>190,500</b>	<b>1,504,932</b>
<u>EXPENDITURE</u>				
Amortisation of intangible assets	7	-	-	-
Communication and publicity		3,105	-	3,105
Depreciation on property, plant and equipment	8	104,773	-	104,773
Depreciation on right-of-use assets	9	81,150	-	81,150
Manpower expense	5	959,268	81,398	1,040,666
Fund-raising expenses		69,820	-	69,820
General and administrative		81,266	-	81,266
Interest on lease liabilities	14	7,898	-	7,898
Migrant assistance programme		71,818	50,000	121,818
Medical programme		7,350	59,102	66,452
Mental health programme		-	-	-
Research and advocacy		-	-	-
Rental of premises		49,360	-	49,360
<b>TOTAL EXPENDITURE</b>		<b>1,435,808</b>	<b>190,500</b>	<b>1,626,308</b>
Surplus/(deficit) for the year		(121,376)	-	(121,376)
<u>Other Comprehensive Income</u>				
Other comprehensive income		-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(121,376)</b>	<b>-</b>	<b>(121,376)</b>



## STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	NOTES	2020	2019
		\$	\$
<b>ASSETS</b>			
<u>Non-Current Assets</u>			
Intangible assets	7	36,351	-
Property, plant and equipment	8	133,653	100,391
Right-of-use assets	9	54,013	151,120
		<u>224,017</u>	<u>251,511</u>
<u>Current Assets</u>			
Inventories	10	50,567	-
Other receivables	11	105,617	57,250
Fixed deposits with financial institutions	12	1,552,748	3,059,429
Cash and cash equivalents	13	6,390,959	943,461
		<u>8,099,891</u>	<u>4,060,140</u>
<b>TOTAL ASSETS</b>		<b><u>8,323,908</u></b>	<b><u>4,311,651</u></b>
<b>LIABILITIES</b>			
<u>Non-Current Liability</u>			
Lease liabilities	14	8,390	52,973
		<u>8,390</u>	<u>52,973</u>
<u>Current Liabilities</u>			
Lease liabilities	14	48,040	101,267
Deferred income	15	64,514	-
Other payables	16	152,109	103,125
		<u>264,663</u>	<u>204,392</u>
<b>TOTAL LIABILITIES</b>		<b><u>273,053</u></b>	<b><u>257,365</u></b>
<b>NET ASSETS</b>		<b><u>8,050,855</u></b>	<b><u>4,054,286</u></b>
<u>Funds</u>			
Unrestricted fund - General fund		7,045,380	4,054,286
Restricted funds	17	1,005,475	-
<b>TOTAL FUNDS</b>		<b><u>8,050,855</u></b>	<b><u>4,054,286</u></b>

## STATEMENT OF CHANGES IN FUNDS

for the year ended 31 December 2020

	UNRESTRICTED FUND	RESTRICTED FUNDS (NOTE 17)	TOTAL FUNDS
	\$	\$	\$
Balance as at 1 January 2019	4,175,662	-	4,175,662
Total comprehensive loss for the year	(121,376)	-	(121,376)
Balance as at 31 December 2019	4,054,286	-	4,054,286
Total comprehensive income for the year	2,991,094	1,005,475	3,996,569
<b>BALANCE AS AT 31 DECEMBER 2020</b>	<b><u>7,045,380</u></b>	<b><u>1,005,475</u></b>	<b><u>8,050,855</u></b>



## STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	NOTES	2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Surplus/(deficit) for the year		3,996,569	(121,376)
Adjustments for:			
Amortisation of intangible assets	7	6,008	-
Depreciation on property, plant and equipment	8	47,909	104,773
Depreciation on right-of-use assets	9	114,102	81,150
Interest expense on lease liabilities	14	5,546	7,898
Gain on disposal of property, plant and equipment		-	(5,500)
Amortisation of deferred capital donations and grants		-	(54,862)
Fixed deposits interest income		(45,464)	(52,069)
		128,101	81,390
Operating surplus/(deficit) before working fund changes		4,124,670	(39,986)
Increase in inventories		(50,567)	-
(Increase) /decrease in receivables		(48,367)	42,440
Increase in payables		113,498	37,194
Changes in working capital		14,564	79,634
Net cash from operating activities		4,139,234	39,648
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Fixed deposits interest received		60,763	33,434
Proceeds from disposal of property, plant and equipment		-	5,500
Purchase of intangible assets	7	(42,359)	-
Purchase of property, plant and equipment	8	(81,171)	(120,285)
Decrease/(Increase) in fixed deposits with maturities over 3 months		1,491,382	(26,909)
Net cash generated from/(used in) investing activities		1,428,615	(108,260)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of principal portion of lease liabilities	14	(114,805)	(78,030)
Interest paid on lease liabilities	14	(5,546)	(7,898)
Net cash used in financing activities		(120,351)	(85,928)
Net increase/(decrease) in cash and cash equivalents		5,447,498	(154,540)
Cash and cash equivalents at beginning of the year		943,461	1,098,001
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	13	<b>6,390,959</b>	<b>943,461</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

The following notes form an integral part of the financial statements.

### 1. CORPORATE INFORMATION

- 1.1 Healthserve Ltd. (the "Company") is incorporated in Singapore as a public company, limited by guarantee. Its registered office is located at 1 Lorong 23 Geylang #01-07 Building 4, Singapore 388352.
- 1.2 The Company became an approved charity on 25 May 2011 and an Institution of Public Character ("IPC") with effect from 15 July 2011. The renewed IPC status is for a period of three years with effect from 1 November 2018.
- 1.3 The principal activity of the Company is to educate, promote and organise healthcare services for the alleviation of ill-health ignorance and suffering.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

The Company presents its financial statements in Singapore dollars ("S\$"), which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Charities Act Cap. 37 and the Singapore Financial Reporting Standards ("FRS"), including related Interpretations promulgated by the Accounting Standards Council, as required by the Companies Act.

In the current financial year, the Company has adopted all the new and amended FRSs which are relevant to the company and are effective for financial periods beginning on or before 1 January 2020. The adoption of these standards did not have material effect on the financial performance or position of the Company.

#### 2.2 Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### A. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Amortisation of Intangible Assets/Depreciation on Property, Plant and Equipment

The costs of intangible assets and property, plant and equipment are amortised/depreciated on a straight line basis over their estimated useful lives. Management's estimates of the useful lives of these assets are disclosed in notes 2.7 and 2.8. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future amortisation /depreciation charges could be revised. The carrying amounts of these assets and the amortisation/depreciation charge for the year are disclosed in notes 7 and 8 to the financial statements.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

### 2.2 Significant Accounting Estimates and Judgments (con't)

#### (ii) Leases

##### *Incremental Borrowing Rate Leases*

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

##### Estimation of Lease Term

When determining the lease term of a lease contract, management considers all relevant factors that create an economic incentive for the Group to exercise an extension option, including any expected changes in circumstances since the commencement date that is within its control and affects its ability to exercise or not to exercise an option to extend. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

#### B. *Critical judgments made in applying accounting policies*

In the process of applying the Company's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

##### *Impairment of Non-Financial Assets*

The carrying amounts of the Company's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's fair value less cost of disposal. Estimating the value in use requires significant judgment on the part of the management to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

### 2.3 FRSs issued but not yet effective

The Company has not applied any new FRS that has been issued but is not yet effective. The directors plan to adopt these FRSs in the first financial year commencing on or after their respective effective dates.

The directors do not expect the adoption of the new FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

### 2.4 Income Recognition

#### (i) Donation Income

Donations are recognised as income in the period when the Company's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability.

Donations for the purchase of specific depreciable assets are recognised as "deferred capital donations and grants" in the period of receipt or when there is certainty that the donations will be received, and subsequently recognised as income over the useful lives of the related assets to match the depreciation of those assets.

Donation-in-kind are recognised as income at the amount equivalent to the estimated value of the items donated when the value can be reasonably and reliably estimated.

#### (ii) Interest Income

Interest income is recognised on a time-proportion basis, using the effective interest method, unless collectability is in doubt.

#### (iii) Service Income

Consultation fees are recognised as income when services are rendered and performance obligations have been fulfilled.

#### (iv) Government Grants

A grant is recognised as income when there is reasonable assurance that the conditions attached to the grant are met and that the grant will be received. Where uncertainty exists as to whether the Company can meet the conditions, the grants that are received are deferred as a liability until there is sufficient evidence that the conditions attached can be met.

Grants for the purchase of depreciable assets are recognised as "deferred capital donations and grants" in the period of receipt or when there is certainty that the grants will be received, and subsequently recognised as income over the useful lives of the related assets to match the depreciation of those assets.

Grants related to specific expenses are recognised as income over the periods necessary to match them with the related expenses which they are intended to compensate, on a systematic basis.

### 2.5 Employee Benefits

#### (i) Defined Contribution Plans

The Company makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as manpower expenses in the same period as the employment that gave rise to the contributions.

#### (ii) Short-term Compensated Absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

### 2.6 Leases

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

#### As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

#### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

**2. SIGNIFICANT ACCOUNTING POLICIES (CON'T)****2.6 Leases (con't)***Right-of-use assets*

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in note 2.13.

*Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

*Short-term leases and leases of low-value assets*

Where applicable, the Company applies the short-term leases and leases of low-value assets recognition exemption to its short-term leases of office space. Lease payments on short-term leases (i.e. leases with term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets are recognised as expense on a straight line basis over the lease term.

**2.7 Intangible Assets**

Intangible assets are initially recorded at cost. The cost of an item of intangible assets is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Intangible assets with finite useful life are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised over their expected useful lives of 3 years on a straight line basis.

The amortisation period and amortisation method of intangible assets are reviewed and adjusted as appropriate, at each financial year-end.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in profit or loss in the year the asset is derecognised.

**2.8 Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight-line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The annual rates of depreciation are as follows:

Renovations	3 - 5 years
Computers and equipment	3 years
Furniture and fittings	3 years
Motor vehicle	2 - 5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is recognised in the statement of comprehensive income in the year the asset is derecognised.

**2.9 Inventories**

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Costs include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**2.10 Financial Assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows for the assets have ceased or expired.

**A. Classification**

The Company's financial assets are classified at amortised cost.

The basis of classification depends on the Company's business model and the contractual cash flow characteristics of the financial assets.

**B. At initial recognition**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

**C. At subsequent measurement**

The Company's financial assets, comprising mainly of receivables and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition as these represent contractual cash flows which represent solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

**D. Impairment of Financial Assets**

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

**2. SIGNIFICANT ACCOUNTING POLICIES (CON'T)****2.10 Financial Assets (con't)***D. Impairment of Financial Assets*

At each reporting date, the debt instruments are assessed to determine whether there is a significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

**2.11 Receivables**

Receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in note 2.10(D). Receivables with a short duration are not discounted.

**2.12 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits with maturities within 3 months, which are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

**2.13 Impairment of Non-Financial Assets**

The carrying amounts of the Company's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

**2.14 Funds**General fund

Income and expenditure are accounted for under the general fund in the income and expenditure unless they relate to funds for specific purposes. The use of these reserves is subject to the approval of the Board.

Restricted fund

This fund is created from donations and sponsorships from individuals and external bodies for specific purposes. The income and expenditure relating to the restricted fund are accounted for under the restricted fund's income and expenditure.

**2.15 Financial Liabilities**

Financial liabilities include other payables for operating expenditure.

Financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss, including derivatives, which are measured at fair value. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

**2.16 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

**2.17 Related Parties**

A related party is defined as follows:

- A. A person or a close member of that person's family is related to the Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Company.
- B. An entity is related to the Company if any of the following conditions applies:
  - (a) The entity and the Company are members of the same group (which means that each parent, subsidiary Company and fellow subsidiary Company are related to each other).
  - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (c) Both entities are joint ventures of the same third party.
  - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  - (f) The entity is controlled or jointly controlled by a person identified in (A).
  - (g) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company.

**3. GRANTS**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Unrestricted fund</b>		
- Care and share matching grant	919,984	-
- SG Totalisator Board	50,000	-
- VCF Consultancy grant	5,564	5,564
- Other grants	1,069	2,283
	<u>976,617</u>	<u>7,847</u>
<b>Restricted fund</b>		
- Volunteer manager funding scheme	2,213	-
	<u><u>978,830</u></u>	<u><u>7,847</u></u>

**4. OTHER INCOME**

	<b>2020</b>	<b>2019</b>
	\$	\$
Amortisation of deferred capital donations and grants	-	54,862
Fixed deposits interest income	45,464	52,069
Gain on disposal of property, plant and equipment	-	5,500
Jobs support scheme	183,469	-
Wage credit scheme	16,809	4,980
Special employment credit	4,595	4,026
Foreign worker levy rebate	2,250	-
Rental relief	22,947	-
Training income	6,920	-
Service income for research project	80,000	-
Sundry income	401	1,703
	<b><u>362,855</u></b>	<b><u>123,140</u></b>

**5. MANPOWER EXPENSE**

	<b>2020</b>	<b>2019</b>
	\$	\$
Salaries, allowances and bonus	1,255,354	885,597
Employer's contribution to Central Provident Fund	136,784	101,949
Staff benefits:	42,649	47,427
- Insurance	17,135	18,125
- Training	10,081	21,149
- Others	15,433	8,153
Other staff costs	11,268	5,693
	<b><u>1,446,055</u></b>	<b><u>1,040,666</u></b>

The Company's paid staff who received remuneration exceeding \$100,000 is classified by remuneration band as follows:

	Number of staff	
	<b>2020</b>	<b>2019</b>
Annual remuneration		
\$100,001 to \$200,000	<b><u>3</u></b>	<b><u>1</u></b>

**6. KEY MANAGEMENT PERSONNEL COMPENSATION**

The Company is governed by the board of directors. All directors are volunteers and received no monetary remuneration for their contribution.

The total key management personnel compensation included in staff costs (note 5) are as follows:

	<b>2020</b>	<b>2019</b>
	\$	\$
Key management personnel compensation		
- Salaries and bonus	349,972	100,940
- Employer's contributions to Central Provident Fund	44,612	14,691
	<b><u>394,584</u></b>	<b><u>115,631</u></b>

**7. INTANGIBLE ASSETS**

	<b>COMPUTER SOFTWARE</b>
	\$
<b>COST</b>	
At 1 January 2019, 31 December 2019 and 1 January 2020	-
Additions	42,359
At 31 December 2020	<b><u>42,359</u></b>
<b>ACCUMULATED AMORTISATION</b>	
At 1 January 2019, 31 December 2019 and 1 January 2020	-
Amortisation for the year	6,008
At 31 December 2020	<b><u>6,008</u></b>
<b>CARRYING AMOUNT</b>	
At 31 December 2020	<b><u>36,351</u></b>
At 31 December 2019	-

The costs relating to computer software acquired are not an integral part of the related hardware.



## 8. PROPERTY, PLANT AND EQUIPMENT

	RENOVATION	COMPUTERS AND EQUIPMENT	FURNITURE AND FITTINGS	MOTOR VEHICLES	TOTAL
	\$	\$	\$	\$	\$
<b>COST</b>					
At 1 January 2019	76,325	328,953	38,169	52,500	495,947
Additions	18,336	25,949	-	76,000	120,285
Disposals/written off	(12,050)	(43,470)	(5,357)	(52,500)	(113,377)
At 31 December 2019 and 1 January 2020	82,611	311,432	32,812	76,000	502,855
Additions	26,668	40,064	14,439	-	81,171
Disposals/written off	-	(58,711)	-	-	(58,711)
<b>AT 31 DECEMBER 2020</b>	<b>109,279</b>	<b>292,785</b>	<b>47,251</b>	<b>76,000</b>	<b>525,315</b>
<b>ACCUMULATED DEPRECIATION</b>					
At 1 January 2019	60,267	265,874	34,710	50,217	411,068
Charge for the year	22,170	65,035	2,368	15,200	104,773
Disposals/written off	(12,050)	(43,470)	(5,357)	(52,500)	(113,377)
At 31 December 2019 and 1 January 2020	70,387	287,439	31,721	12,917	402,464
Charge for the year	7,222	20,729	2,475	17,483	47,909
Disposals/written off	-	(58,711)	-	-	(58,711)
<b>AT 31 DECEMBER 2020</b>	<b>77,609</b>	<b>249,457</b>	<b>34,196</b>	<b>30,400</b>	<b>391,662</b>
<b>CARRYING AMOUNT</b>					
<b>AT 31 DECEMBER 2020</b>	<b>31,670</b>	<b>43,328</b>	<b>13,055</b>	<b>45,600</b>	<b>133,653</b>
At 31 December 2019	12,224	23,993	1,091	63,083	100,391

## 9. RIGHT-OF-USE ASSETS

	PROPERTIES
	\$
<b>COST</b>	
At 1 January 2019, date of adoption for FRS 116 Leases	-
Additions	232,270
At 31 December 2019	232,270
Additions	16,995
<b>AT 31 DECEMBER 2020</b>	<b>249,265</b>
<b>ACCUMULATED DEPRECIATION</b>	
At 1 January 2019, date of adoption for FRS 116 Leases	-
Depreciation for the year	81,150
At 31 December 2019	81,150
Depreciation for the year	114,102
<b>AT 31 DECEMBER 2020</b>	<b>195,252</b>
<b>CARRYING AMOUNT</b>	
<b>AT 31 DECEMBER 2020</b>	<b>54,013</b>
At 31 December 2019	151,120

## 10. INVENTORIES

Inventories mainly include medical supplies, transport tool and personal protective equipment. The cost of inventories charged to expenditure are \$89,612 (2019: \$38,404).

## 11. OTHER RECEIVABLES

	2020	2019
	\$	\$
Interest receivables from fixed deposits	3,336	18,635
Jobs Support Scheme receivable	23,452	-
Grant receivable	40,000	-
Prepayments	7,421	190
Refundable deposits	27,883	29,647
Other receivables	3,525	8,778
	<b>105,617</b>	<b>57,250</b>

**12. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS**

The fixed deposits have original maturities of more than 3 months but not more than one year and earn interest at rates ranging from 0.24% to 0.5% (2019: 1.50% to 1.80%) per annum.

**13. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the statement of cash flows comprise cash in hand and bank balances.

**14. LEASE LIABILITIES**

	2020		2019	
	MINIMUM LEASE LIABILITIES	PRESENT VALUE OF LEASE LIABILITIES	MINIMUM LEASE LIABILITIES	PRESENT VALUE OF LEASE LIABILITIES
	\$	\$	\$	\$
Lease liabilities payable:				
- within 1 year	49,300	48,040	106,485	101,267
- after 1 year but less than 5 years	8,426	8,390	54,261	52,973
	57,726	56,430	160,746	154,240
Less: Amounts representing interest	1,296	-	6,506	-
	<b>56,430</b>	<b>56,430</b>	<b>154,240</b>	<b>154,240</b>

The Company leases premises with lease periods of 2 to 3 years from non-related parties. The leases have varying terms and provide renewal rights.

There are no externally imposed covenants on the lease arrangements.

Reconciliation of changes in liabilities arising from financing activities

Movements in lease liabilities arising from financing cash flows during the year are as follows:

	2020	2019
	\$	\$
Lease liabilities as at 1 January	154,240	-
Additional lease liabilities during the year	16,995	232,270
	171,235	232,270
<u>Non-cash movement</u>		
Add: Accretion of interest	5,546	7,898
<u>Cash movements</u>		
Less: Payments of lease liabilities during the year		
- Principal portion	114,805	78,030
- Interest	5,546	7,898
	120,351	85,928
<b>LEASE LIABILITIES AS AT 31 DECEMBER</b>	<b>56,430</b>	<b>154,240</b>

**15. DEFERRED INCOME**

	2020	2019
	\$	\$
Deferred income		
- Jobs Support Scheme	23,452	-
- Grant income	41,062	-
	<b>64,514</b>	<b>-</b>

Deferred grant income comprises grants received/receivable which will be recognised as income over the period where the related expenses are incurred subsequent to the financial year-end.

**16. OTHER PAYABLES**

	2020	2019
	\$	\$
<b>ACCRUED OPERATING EXPENSES</b>	<b>152,109</b>	<b>103,125</b>

Other payables are unsecured, non-interest bearing and are normally settled within 90 days (2019: 90 days) or on demand.

**17. RESTRICTED FUNDS**

2020	AT 1	INCOME	EXPENDITURE	NET SURPLUS	AT 31
	JANUARY				DECEMBER
	\$	\$	\$	\$	\$
Medical fund (a)	-	97,046	(24,324)	72,722	72,722
Migrant assistance fund (b)	-	1,284,864	(538,951)	745,913	745,913
Mental health fund (c)	-	186,840	-	186,840	186,840
Restricted grant (d)	-	2,213	(2,213)	-	-
	-	<b>1,570,963</b>	<b>(565,488)</b>	<b>1,005,475</b>	<b>1,005,475</b>
2019	AT 1	INCOME	EXPENDITURE	NET SURPLUS	AT 31
	JANUARY				DECEMBER
	\$	\$	\$	\$	\$
Medical fund (a)	-	140,500	(140,500)	-	-
Migrant assistance fund (b)	-	50,000	(50,000)	-	-
	-	<b>190,500</b>	<b>(190,500)</b>	<b>-</b>	<b>-</b>

- (a) The medical program was set up to offer subsidised medical services to migrant workers to ensure that they have access to affordable healthcare. The fund is used to pay for medication, medical supplies, laboratory tests and clinic/dental set ups.
- (b) The migrant assistance program was set up to help unemployed migrant workers, workers involved in employment disputes or workers who are not paid or taken care of by irresponsible employers or employers facing business challenges. The goal is to ensure that the workers continue to have access to basic necessities. The funds are used to provide various supports such as free meals, subsidised transport, clothing, rental assistance, other basic necessities and emergency funds.

**17. SIGNIFICANT ACCOUNTING POLICIES (CON'T)**

- (c) The mental health program was set up to support the mental well-being of the migrant workers. The program includes various initiatives such as counselling, mental wellness education, peer support training as well as the 24/7 crisis helpline.
- (d) Restricted grant relates to volunteer manager funding scheme which was used for the hiring of a volunteer manager during the year.

**18. TAXATION**

The Company is registered under the Charities Act Cap. 37 and its income is exempt from income tax.

During the financial year, the Company issued tax-exempt receipts for donations collection amounting to \$4,019,962 (2019: \$835,985).

**19. FINANCIAL RISK MANAGEMENT**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and interest rate risk. The management reviews and agrees on policies for managing each of these risks and they are summarised below:

**(i) Credit risk**

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Company as and when they fall due.

The Company's main financial assets consist of receivables, fixed deposits and cash and cash equivalents. Cash and bank deposits are placed with financial institutions which are regulated.

As at the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

As at the balance sheet date, there were no financial assets that are subject to expected credit losses.

**(ii) Liquidity risk**

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

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

<b>2020</b>	<b>WITHIN 1 YEAR</b>	<b>AFTER 1 YEAR BUT LESS THAN 5 YEARS</b>	<b>TOTAL</b>
	\$	\$	\$
Lease liabilities	49,300	8,426	57,726
Other payables	152,109	-	152,109
	<b>201,409</b>	<b>8,426</b>	<b>209,835</b>
	<hr/>		
<b>2019</b>			
Lease liabilities	106,485	54,261	160,746
Other payables	103,125	-	103,125
	<b>209,610</b>	<b>54,261</b>	<b>263,871</b>

**(iii) Interest rate risk**

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

The Company does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates primarily to interest-bearing bank deposits. The Company monitors movements in interest rate to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Company are disclosed in note 12.

The sensitivity analysis for changes in interest rate is not disclosed as the effect is considered not significant.

**20. FUND MANAGEMENT**

The Company's funds are managed so as to maintain adequate working funds for the development of its principal activities over the longer term through significant support mainly in the form of donations and grants. No changes were made in objectives, policies or processes since the previous financial year.

**21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The carrying amounts of receivables, cash and cash equivalents and payables classified as current assets and current liabilities approximate their fair values due to their short term nature.

The carrying amounts of lease liabilities are reasonable approximation of their fair values as they are measured at the present value of lease payments based on the incremental borrowing rate.

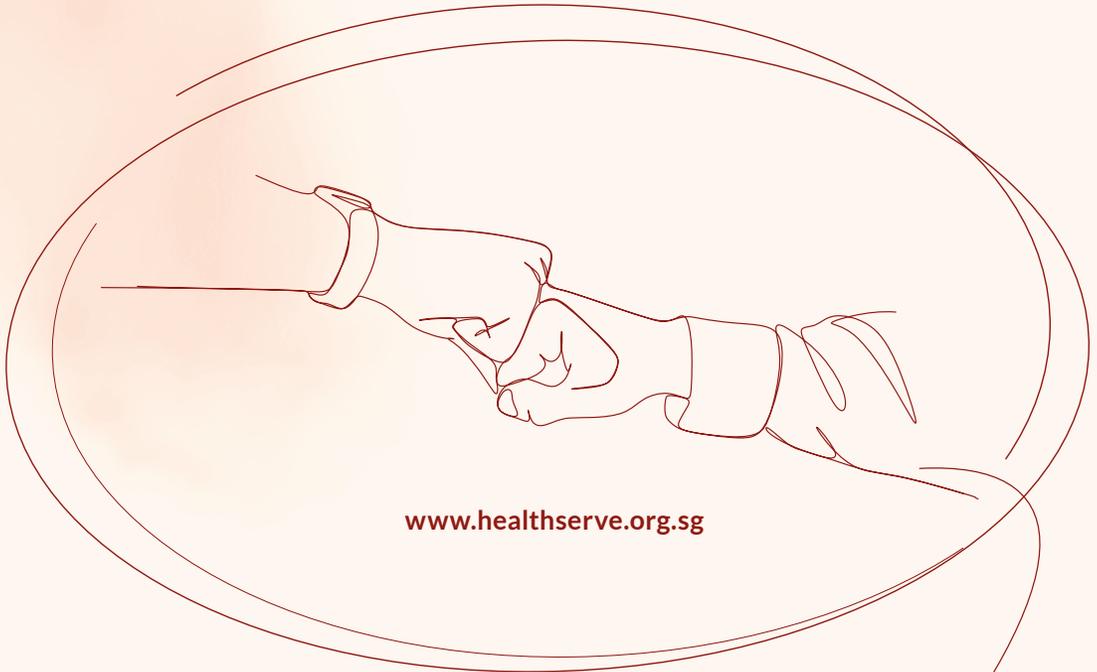
**22. FINANCIAL INSTRUMENTS BY CATEGORY**

The aggregate carrying amounts of financial instruments by category are as follows:

	<b>2020</b>	<b>2019</b>
	\$	\$
Financial assets at amortised cost	8,041,903	4,059,950
Financial liabilities at amortised	208,539	257,365

**23. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue in accordance with a directors' resolution dated



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1 Lorong 23 Geylang #01-07, Singapore 388352

+65 3157 4450

[info@healthserve.org.sg](mailto:info@healthserve.org.sg)

   @HealthServeSG   @HealthServe