

SINGAPORE HEART FOUNDATION

(Unique Entity No: S70SS0007H)

Statement by Board of Directors and Financial Statements

Year Ended 31 March 2021

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

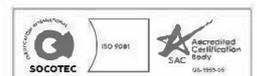
T +65 6533 7600

Audit@RSMSingapore.sg
www.RSMSingapore.sg

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SINGAPORE HEART FOUNDATION

Statement by Board of Directors and Financial Statements

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SINGAPORE HEART FOUNDATION

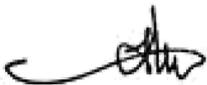
Statement by Board of Directors

In the opinion of the Board of Directors,

- (a) the accompanying financial statements are drawn up in accordance with the Societies Act, Chapter 311 (the Societies Act) and the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and Financial Reporting Standards (FRS), so as to present fairly, in all material respects, the state of affairs of Singapore Heart Foundation (the "Foundation") as at 31 March 2021 and the results, changes in funds and cash flows of the Foundation for the reporting year ended.
- (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 approved and authorised these financial statements for issue.

On behalf of the Board of Directors,



.....
Prof Tan Huay Cheem
Chairman

17 August 2021



.....
Elsie Foh
Honorary Treasurer

**Independent Auditor's Report to the Members of
SINGAPORE HEART FOUNDATION**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Singapore Heart Foundation (the "Foundation"), which comprise the statement of financial position as at 31 March 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards ("FRS") so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 March 2021 and the results, 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 Auditor's 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 (ACRA) 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 annual report 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 express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of SINGAPORE HEART FOUNDATION

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Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Those charged with governance are responsible for overseeing the Foundation'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:

- (a) 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.
- (b) 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 Foundation's internal control.

**Independent Auditor's Report to the Members of
SINGAPORE HEART FOUNDATION**

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Auditor's responsibilities for the audit of the financial statements (cont'd)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 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 Foundation to cease to continue as a going concern.
- (e) 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 control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion:

- (a) The accounting and other records required to be kept by the Foundation have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) The fund-raising appeals held during the reporting year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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 moneys 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.

**Independent Auditor's Report to the Members of
SINGAPORE HEART FOUNDATION**

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Report on other legal and regulatory requirements (cont'd)

The engagement partner on the audit resulting in this independent auditor's report is Woo E-Sah.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

17 August 2021

Effective from reporting year ended 31 March 2018

SINGAPORE HEART FOUNDATION

**Statement of Financial Activities
Year Ended 31 March 2021**

	Note	Unrestricted fund 2021 \$	Restricted fund 2021 \$	Total 2021 \$	Unrestricted fund 2020 \$	Restricted fund 2020 \$	Total 2020 \$
Incoming Resources:							
Fund-raising activities	4	9,779,957	-	9,779,957	11,032,160	-	11,032,160
Charitable activities	5	876,059	127,394	1,003,453	1,151,487	117,960	1,269,447
Governance and operating activities		1,210,310	3,000	1,213,310	438	2,031	2,469
Other income	7	4,529,475	-	4,529,475	1,339,842	-	1,339,842
Total incoming resources		16,395,801	130,394	16,526,195	13,523,927	119,991	13,643,918
Resources Expended:							
Fund-raising activities	4	1,622,854	2,500	1,625,354	2,225,975	2,100	2,228,075
Charitable activities	5	4,261,863	372,196	4,634,059	4,319,679	927,224	5,246,903
Governance and operating costs	6	1,943,028	39,570	1,982,598	1,887,839	35,780	1,923,619
Other expenditure	7	-	-	-	2,386,525	-	2,386,525
Total resources expended		7,827,745	414,266	8,242,011	10,820,018	965,104	11,785,122
Surplus/(deficit) for the year		8,568,056	(283,872)	8,284,184	2,703,909	(845,113)	1,858,796
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income / (loss)		8,568,056	(283,872)	8,284,184	2,703,909	(845,113)	1,858,796

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

SINGAPORE HEART FOUNDATION

Statement of Financial Position As at 31 March 2021

	<u>Notes</u>	<u>2021</u> \$	<u>2020</u> \$
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	10	4,864,314	5,154,132
Financial assets at FVTPL	11	30,873,199	23,636,418
Right-of-use assets	20	777,926	902,352
Total non-current assets		<u>36,515,439</u>	<u>29,692,902</u>
<u>Current assets</u>			
Inventories	12	128,831	147,888
Trade and other receivables	13	456,839	403,156
Other non-financial assets	14	565,351	849,976
Cash and cash equivalents	15	23,076,509	21,492,044
Total current assets		<u>24,227,530</u>	<u>22,893,064</u>
Total assets		<u>60,742,969</u>	<u>52,585,966</u>
FUNDS AND LIABILITIES			
<u>Unrestricted funds</u>			
General fund	16	42,755,927	34,187,871
Infrastructure Development Fund	16	15,000,000	15,000,000
Total unrestricted funds		<u>57,755,927</u>	<u>49,187,871</u>
<u>Restricted funds</u>			
Asia-Pacific Heart Network Fund	16	10,543	10,543
Care & Share Matching Grant	16	195,469	542,904
Edwards Lifesciences Foundation	16	107,394	53,791
Heart Wellness Centre	16	25,026	33,866
AEDS In Bukit Gombak	16	21,099	21,099
National Council of Social Service (NCSS) – VWOs-Charities Capability Fund	16	–	1,200
Pfizer Education And Research Fund	16	20,000	–
Total restricted funds		<u>379,531</u>	<u>663,403</u>
Total funds		<u>58,135,458</u>	<u>49,851,274</u>
<u>Non-current liabilities</u>			
Lease liabilities, non-current	20	581,851	706,992
Other non-financial liabilities, non-current	17	130,000	130,000
Total non-current liabilities		<u>711,851</u>	<u>836,992</u>
<u>Current liabilities</u>			
Lease liabilities, current	20	212,419	206,284
Trade and other payables	18	1,477,458	1,312,192
Other non-financial liabilities, current	19	205,783	379,224
Total current liabilities		<u>1,895,660</u>	<u>1,897,700</u>
Total liabilities		<u>2,607,511</u>	<u>2,734,692</u>
Total funds and liabilities		<u>60,742,969</u>	<u>52,585,966</u>

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

SINGAPORE HEART FOUNDATION

**Statement of Changes in Funds
Year Ended 31 March 2021**

	Unrestricted Funds		Restricted Funds											
	General fund	Other reserves	Infrastructure Development Fund	Sub-Total	Asia-Pacific Heart Network Fund	Care & Share Matching Grant	Edwards Lifesciences Fund	Heart Wellness Centre	AEDS in Bukit Gombak	NCSS-WVOs-Charities Capability Fund	Pfizer Education Research Fund	Temasek Cares Fund	Sub-Total	Total
2021:														
Current year:														
Opening balance at 1 April 2020	34,187,871	-	15,000,000	49,187,871	10,543	542,904	53,791	33,866	21,099	1,200	-	-	663,403	49,851,274
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movements in funds:														
Surplus/(deficit) for the year	8,568,056	-	-	8,568,056	-	(347,435)	53,603	(8,840)	-	(1,200)	20,000	-	(283,872)	8,284,184
Closing balance at 31 March 2021	42,755,927	-	15,000,000	57,755,927	10,543	195,469	107,394	25,026	21,099	-	20,000	-	379,531	58,135,458

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

SINGAPORE HEART FOUNDATION

Statement of Changes in Funds Year Ended 31 March 2021

	Unrestricted Funds		Restricted Funds								Total		
	General fund	Other reserves	Infrastructure Development Fund	Sub-Total	Asia-Pacific Heart Network Fund	Care & Share Matching Grant	Edwards Lifesciences Fund	Heart Wellness Centre	AEDS in Bukit Gombak	NCSS-VWOs-Charities Capability Fund		Pfizer Education And Research Fund	Temasek Cares Fund
2020:													
Previous year:													
Opening balance at 1 April 2019	39,483,962	-	7,000,000	46,483,962	47,355	997,101	107,624	45,045	48,716	10,200	-	252,475	47,992,478
Transfers	(8,000,000)	-	8,000,000	-	-	-	-	-	-	-	-	-	-
Movements in funds:													
Surplus/(deficit) for the year	2,703,909	-	-	2,703,909	(36,812)	(454,197)	(53,833)	(11,179)	(27,617)	(9,000)	-	(252,475)	(845,113)
Closing balance at 31 March 2020	34,187,871	-	15,000,000	49,187,871	10,543	542,904	53,791	33,866	21,099	1,200	-	-	49,851,274

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

SINGAPORE HEART FOUNDATION

Statement of Cash Flows Year Ended 31 March 2021

	<u>2021</u> \$	<u>2020</u> \$
<u>Cash flows from operating activities</u>		
Surplus for the year	8,284,184	1,858,796
Adjustments for:		
Depreciation of property, plant and equipment	346,985	346,372
Depreciation of right-of-use assets	212,431	206,340
Fair value losses on financial instrument at FVTPL	(3,294,111)	2,135,275
Investment income	(971,012)	(1,000,181)
Interest expense (Note 20)	19,948	24,633
Interest income	(130,073)	(313,696)
Net gain / (loss) on disposal of financial instrument at FVTPL	(151,924)	251,250
Gain on disposal of property, plant and equipment	(700)	(869)
Gain on lease modification	(669)	-
Operating surplus before changes in working capital	<u>4,315,059</u>	<u>3,507,920</u>
Inventories	19,057	(26,325)
Trade and other receivables	(176,105)	261,334
Other non-financial assets	284,625	(276,309)
Trade and other payables	165,266	102,533
Other non-financial liabilities	(173,441)	221,616
Net cash flows from operating activities	<u>4,434,461</u>	<u>3,790,769</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(58,556)	(194,648)
Purchase of financial assets at FVTPL	(12,219,723)	(13,922,330)
Investment income received	971,012	963,024
Interest received	252,495	274,223
Proceeds from disposal of property, plant and equipment	2,089	2,540
Proceeds from disposal of financial instrument at FVTPL	8,428,977	10,353,756
Net cash flows used in investing activities	<u>(2,623,706)</u>	<u>(2,523,435)</u>
<u>Cash flows from financing activities</u>		
Lease liabilities	(226,290)	(220,049)
Net cash flows used in financing activities	<u>(226,290)</u>	<u>(220,049)</u>
Net increase in cash and cash equivalents	1,584,465	1,047,285
Cash and cash equivalents, beginning balance	21,492,044	20,444,759
Cash and cash equivalents, ending balance (Note 15)	<u>23,076,509</u>	<u>21,492,044</u>

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

SINGAPORE HEART FOUNDATION

Notes to the Financial Statements 31 March 2021

1. General

Singapore Heart Foundation (the "Foundation") is a Foundation registered in Singapore under the Societies Act, Cap. 311. It was granted the status of an Institution of a Public Character (Registration No. S70SS0007G) under the Charities Act, Chapter 37 valid until 28 June 2022 subject to renewal. The financial statements are presented in Singapore dollars.

The Board of Directors approved and authorised these financial statements for issue on the date of the Statement by the Board of Directors.

The Foundation is a leading heart health organisation educating and motivating the public, assisting those affected and supporting community-based research to better understand the landscape of heart disease in Singapore. Its mission is to promote heart health, prevent and reduce disability and death due to cardiovascular diseases and stroke. It has subsidised rehabilitation services at the three wellness centres at Junction 8, Fortune Centre and Bukit Gombak Sports Centre.

The registered office is located at 9 Bishan Place, #07-01 Junction 8, Singapore 579837.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRS") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are also in compliance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the FRSs may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

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1. General (cont'd)

Uncertainties related to the Covid-19 pandemic

On 31 January 2020, the World Health Organisation announced the COVID-19 outbreak as a global health emergency.

The Foundation's operations are dependent on private and public donations from individuals, corporations and foundations. Since the COVID-19 outbreak, the Foundation has experienced a dip in new donor sign-ups.

The pandemic will have a continued impact on the economy and market conditions, triggering an extended period of a global economic slowdown. This situation is expected to further dampen donations from new donor sign-ups and some cancellations of recurring donations.

However, the Foundation's fundamentals remain strong, supported by reserves from previous years and a stable workforce. The foundation will continue to tap on available grants and diversifying income channels, such as online donations.

The Foundation does not expect the decline of donation to hinder its ability to advance its mission and objectives in the next 1 to 2 years.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Incoming resources

(i) Donations and sponsorships

Income from donations and sponsorships are accounted for when received, except for committed donations and sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. Revenue from the fundraising event is recognised when the event has occurred.

SINGAPORE HEART FOUNDATION

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Incoming resources

(ii) Interest income

Interest revenue is recognised on a time-proportion basis using the effective interest rate.

(iii) Dividend income

Dividend from equity instruments is recognised as income when the Foundation's right to receive dividend is established. This is usually ex-dividend date for quoted shares.

(iv) Government grant

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

(v) Sale of merchandise

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as a right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties.

An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised goods or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

SINGAPORE HEART FOUNDATION

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Donations-in-kind

A donation-in-kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the donation of the non-monetary asset or the grant of a right to the monetary asset. The donation is recognised if the amount of the donation can be measured reliably and there is certainty that it will be received. No value is ascribed to volunteer services. The total donation-in-kind for the reporting year which is deemed not of substantial value individually amounts to \$25,091 (2020: \$67,649).

Gain or loss on financial assets and liabilities

Net realised and unrealised gains or losses on financial assets and liabilities at fair value through profit or loss exclude interest and dividend income. The weighted average method is used when determining the cost basis for financial instruments being disposed of. All realised and unrealised exchange adjustment gains and losses arising from the effect of changes in foreign exchange rates on the financial instruments at fair value are not separated. Such fluctuations are reported on a net basis within the net realised and unrealised gains or losses on financial assets and financial liabilities held at fair value through profit or loss.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government-managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is a constructive obligation based on past practice.

Income tax

As an approved charity under the Charities Act, Cap. 37, the Foundation is exempted from income tax under Section 13(1)(zm) of the Income Tax Act, Cap 134.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

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2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold property	-	Over the period of lease of 66 years
Computers	-	100%
Office furniture & electrical equipment	-	20%
Renovations	-	33%
Exercise and medical equipment	-	20%
Robots	-	33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset are reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by the Foundation. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. The annual rates of depreciation based on their remaining lease periods are as follows:

Equipment	-	33%
Office premises	-	20% to 33%
Warehouse and storage	-	33% to 46%

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2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight-line basis over the remaining lease term.

Inventories

Inventories consisting of publications, cardiopulmonary resuscitation kits, defibrillators and heart rate monitors are measured at the lower of cost (first in first out 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 for where the cost is not recoverable or where applicable if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At the end of each reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

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2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised 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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured 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 fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year-end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year-end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

SINGAPORE HEART FOUNDATION

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on-demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value of measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event, the fair values are disclosed in the relevant notes to the financial statements.

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2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Foundation are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by the action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

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3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the committee members and key management of the Foundation. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the Chief Executive Officer (CEO) and senior members reporting directly to him.

All members of the Board of Directors, sub-committees and staff members of the Foundation are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Board of Directors and sub-committees are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no paid staff who are close members of the family of the board of directors, and whose remuneration each exceeds \$50,000 during the year.

Significant related party transactions:

	<u>Related party</u>	
	<u>2021</u>	<u>2020</u>
	\$	\$
Overseas expenditure	-	966
Cash sponsorship income*	1,000	1,000
Donations-in-kind income*	<u>25,000</u>	<u>25,000</u>

* From a company in which a board member is a director.

3A. Key management compensation:

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and other short-term employee benefits	<u>852,830</u>	<u>729,465</u>

The above amounts are included under employee benefits expense.

Key management personnel comprise the Chief Executive Officer and senior members reporting directly to him.

SINGAPORE HEART FOUNDATION

3. Related party relationships and transactions (cont'd)

3A. Key management compensation: (cont'd)

The annual remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of the key management personnel classified by remuneration bands are as follows:

	<u>2021</u>	<u>2020</u>
\$100,001 - \$200,000	2	2
\$200,001 - \$300,000	<u>2</u>	<u>2</u>

4. Fund-raising activities

Incoming resources from fund-raising activities

	<u>2021</u>	<u>2020</u>
	\$	\$
Direct Donor Debit Programme	8,195,206	9,931,726
Online and GIRO	1,071,358	681,268
Charity Golf	322,322	285,790
Logo acknowledgement from commercial organisations	142,209	56,600
Others	42,752	73,406
Flag Day	6,110	3,370
Total	<u>9,779,957</u>	<u>11,032,160</u>

Expenditure for fund-raising activities

	<u>2021</u>	<u>2020</u>
	\$	\$
Direct Donor Debit Programme	951,430	1,314,586
Administration fee	360,411	481,312
Salaries and related charges	122,533	170,083
Bank charges	136,787	166,626
Professional fees	16,759	11,560
Event setup cost and management fees	15,701	45,023
Postage, printing and telecommunication	13,334	26,134
Maintenance, supplies and materials	8,039	462
Media Publicity and advertisement	360	-
Prizes and souvenirs	-	12,289
Total	<u>1,625,354</u>	<u>2,228,075</u>

The Foundation has complied with the requirement in accordance with the Charities (Institutions of a Public Character) Regulations, to disclose fund-raising appeals with gross receipts of more than \$1 million.

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4. Fund-raising activities (cont'd)

	Income for <u>general fund</u> \$	Fund generating expenses for <u>general fund</u> \$	Net fund generating income for <u>general fund</u> \$
<u>2021</u>			
Direct Donor Debit Programme	<u>8,195,206</u>	<u>1,311,841</u>	<u>6,883,365</u>
<u>2020</u>			
Direct Donor Debit Programme	<u>9,931,726</u>	<u>1,795,898</u>	<u>8,135,828</u>

5. Charitable activities

Incoming resources from charitable activities

	<u>2021</u> \$	<u>2020</u> \$
Programme fees	779,446	922,745
Grants	128,638	117,960
Donations	60,306	104,579
Sale of merchandise – net	33,777	99,070
Other income	1,286	25,093
Total	<u>1,003,453</u>	<u>1,269,447</u>

Expenditure for charitable activities

	<u>2021</u> \$	<u>2020</u> \$
Salaries and related charges	2,622,418	2,478,153
Research	542,912	234,295
Heart Support Fund disbursements	316,291	273,740
Depreciation of property, plant and equipment (Note 10)	295,735	311,935
Printing, stationery and publications	160,521	70,919
Professional fees	139,261	93,239
Depreciation of right-of-use assets (Note 20)	119,303	119,303
Repairs and maintenance	68,027	86,359
Prizes and souvenirs	67,934	293,519
Event setup cost and management fees	66,577	508,896
Trainers and volunteers	42,939	127,913
Postage and courier	38,169	76,109
Supplies and materials	33,576	79,322
Heart Health Awareness Campaign	32,124	56,839
Rental of premises	22,050	34,700
Sundry expenses	21,263	24,944
Bank Charges	15,195	20,425
Telecommunication	11,967	13,396
Utilities	10,397	21,318
Travelling and transportation	4,372	64,458
Insurance	3,220	3,873
Grant refunded (Note 16 ix)	-	252,475
Signage and banners	-	420
(Reversal) / Allowance on trade receivables (Note 13)	(192)	353
Total	<u>4,634,059</u>	<u>5,246,903</u>

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5. Charitable activities (cont'd)

The expenditure for charitable activities was used for various community outreach programmes, including Heart Wellness Centre, Heart Health Hub, World Heart Day and Go Red for Women and for financial assistance to needy patients.

6. Governance and operating costs

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and related charges	1,076,779	1,014,475
Investment expenses	275,435	251,035
GST disallowed	189,418	203,298
Professional fees	170,509	181,504
Depreciation of right-of-use assets (Note 20)	93,128	87,037
Depreciation of property, plant and equipment (Note 10)	51,250	34,437
Printing, stationery and publications	25,636	24,278
Sundry expenses	22,821	14,717
Telecommunications	15,110	12,455
Insurance	14,066	11,415
Media publicity and advertisement	13,935	30,059
Bank charges	11,059	11,210
Utilities	5,931	11,364
Supplies and materials	5,360	9,907
Repairs and maintenance	5,001	6,225
Travelling and transportation	4,194	6,067
Prizes and souvenirs	2,966	13,936
Sponsorships	-	200
Total	<u>1,982,598</u>	<u>1,923,619</u>

7. Other income / (expenditure)

	<u>2021</u>	<u>2020</u>
	\$	\$
Investment income	971,012	1,000,181
Interest from term deposits	130,073	313,696
Gain / (Loss) on disposal of investments (a)	151,924	(251,250)
Gain on disposal of property, plant and equipment	700	869
Fair value gains / (losses) on financial instruments at FVTPL (b)	3,294,111	(2,135,275)
Foreign exchange translation (loss) / gain	(18,345)	25,096
Total	<u>4,529,475</u>	<u>(1,046,683)</u>

(a) Gain / (Loss) on disposal of investments has taken into account the previously recognised fair value gain of \$14,069 (2020: (\$64,198)).

(b) Fair value losses on financial instruments at FVTPL refer to the unrealised changes in fair value in investments held by the Foundation.

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8. Tax-exempt receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the funds of the Foundation. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget. The rate of 250% tax deduction for qualifying donations is till 31 December 2023.

	<u>2021</u> \$	<u>2020</u> \$
Tax-exempt receipts issued for donations collected	<u>9,485,697</u>	<u>10,863,388</u>

9. Employee benefits expense

	<u>2021</u> \$	<u>2020</u> \$
Salaries and related costs	3,262,443	3,114,985
Contributions to defined contribution plan	<u>474,123</u>	<u>460,456</u>
Total employee benefits expense	<u>3,736,566</u>	<u>3,575,441</u>

SINGAPORE HEART FOUNDATION

10. Property, plant and equipment

	<u>Leasehold property</u> \$	<u>Computers</u> \$	<u>Office furniture & electrical equipment</u> \$	<u>Renovations</u> \$	<u>Exercise and medical equipment</u> \$	<u>Robots</u> \$	<u>Total</u> \$
Cost:							
At 1 April 2019	5,041,600	308,931	312,535	635,178	736,359	12,300	7,046,903
Additions	-	73,374	9,546	5,050	106,678	-	194,648
Disposals	-	(28,556)	(21,710)	(855)	(14,355)	-	(65,476)
At 31 March 2020	5,041,600	353,749	300,371	639,373	828,682	12,300	7,176,075
Additions	-	36,126	20,530	-	1,900	-	58,556
Disposals	-	(8,486)	(4,614)	(618)	(12,619)	-	(26,337)
At 31 March 2021	5,041,600	381,389	316,287	638,755	817,963	12,300	7,208,294
Accumulated depreciation:							
At 1 April 2019	425,961	279,987	246,392	446,678	331,816	8,542	1,739,376
Depreciation for the year	76,292	62,276	18,192	80,864	104,991	3,757	346,372
Disposals	-	(28,311)	(21,255)	(855)	(13,384)	-	(63,805)
At 31 March 2020	502,253	313,952	243,329	526,687	423,423	12,299	2,021,943
Depreciation for the year	76,292	60,940	18,358	77,643	113,752	-	346,985
Disposals	-	(8,486)	(4,589)	(618)	(11,255)	-	(24,948)
At 31 March 2021	578,545	366,406	257,098	603,712	525,920	12,299	2,343,980
Net book value:							
At 1 April 2019	4,615,639	28,944	66,143	188,500	404,543	3,758	5,307,527
At 31 March 2020	4,539,347	39,797	57,042	112,686	405,259	1	5,154,132
At 31 March 2021	4,463,055	14,983	59,189	35,043	292,043	1	4,864,314

SINGAPORE HEART FOUNDATION

10. Property, plant and equipment (cont'd)

The depreciation expense is charged in Statement of Financial Activities under:

	<u>2021</u>	<u>2020</u>
	\$	\$
Charitable activities (Note 5)	295,735	311,935
Governance and operating costs (Note 6)	51,250	34,437
Total	<u>346,985</u>	<u>346,372</u>

Leasehold property relates to a property at 190 Middle Road #04-34 Fortune Centre which was purchased in September 2013. It is held by Perpetual (Asia) Limited as trustees of the Foundation as required by the Societies Act. The 99-year lease is from 18 October 1980. The property had been used and operated as the second "Heart Wellness Centre" by the Foundation.

11. Financial assets at FVTPL

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance is made up of:		
Equity instruments (quoted) at FVTPL	13,721,006	7,949,890
Debt instruments (quoted) at FVTPL	14,061,250	13,551,232
Unit Trusts (quoted) at FVTPL	3,090,943	2,135,296
Total at the end of the year	<u>30,873,199</u>	<u>23,636,418</u>

For the financial year ended 31 March 2021, the independent fund manager and custodian are Bank of Singapore Limited and DBS Bank Ltd. Both are located in Singapore with a credit rating of Aa1. There are no investments that are internally managed.

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11. Financial assets (cont'd)

11A. Equity instruments (quoted) at FVTPL

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Movements during the year:</u>		
Fair value at the beginning of the year	7,949,890	9,904,999
Additions*	4,585,238	2,073,075
Disposals	(1,487,456)	(2,441,466)
Increase/(decrease) in FVTPL	<u>2,673,334</u>	<u>(1,586,718)</u>
Fair value at end of the year	<u>13,721,006</u>	<u>7,949,890</u>

11B. Debt instruments (quoted) at FVTPL

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Movements during the year:</u>		
Fair value at the beginning of the year	13,551,232	10,263,297
Additions*	5,780,909	8,830,379
Disposals	(5,782,134)	(5,113,607)
Increase/(Decrease) in FVTPL	<u>511,243</u>	<u>(428,837)</u>
Fair value at end of the year	<u>14,061,250</u>	<u>13,551,232</u>

11C. Unit Trusts (quoted) at FVTPL

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Movements during the year:</u>		
Fair value at the beginning of the year	2,135,296	2,286,073
Additions*	1,853,576	3,018,876
Disposals	(1,007,463)	(3,049,933)
Increase/(Decrease) in FVTPL	<u>109,534</u>	<u>(119,720)</u>
Fair value at end of the year	<u>3,090,943</u>	<u>2,135,296</u>

*Additions include reinvestments made by fund managers.

SINGAPORE HEART FOUNDATION

11. Financial assets (cont'd)

11D. Disclosures relating to investments at FVTPL

The information gives a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities (refer to Note 2A for definition).

	<u>Level</u>	<u>2021</u> %	<u>2020</u> %	<u>2021</u> \$	<u>2020</u> \$
<u>Quoted equity securities</u>					
Singapore	1	38	28	11,648,552	6,687,239
United States	1	3	3	945,794	661,577
Hong Kong	1	2	1	639,623	264,267
European Union	1	1	1	156,115	90,550
United Kingdom	1	-	-	109,645	59,804
Japan	1	-	1	75,428	115,019
Indonesia	1	-	-	58,200	-
Taiwan	1	-	-	55,349	38,741
Switzerland	1	-	-	32,300	32,693
Subtotal		<u>44</u>	<u>34</u>	<u>13,721,006</u>	<u>7,949,890</u>
	<u>Level</u>	<u>2021</u> %	<u>2020</u> %	<u>2021</u> \$	<u>2020</u> \$
<u>Quoted debt securities</u>					
Singapore	1	46	57	14,061,250	13,551,232
Subtotal		<u>46</u>	<u>57</u>	<u>14,061,250</u>	<u>13,551,232</u>
	<u>Level</u>	<u>2021</u> %	<u>2020</u> %	<u>2021</u> \$	<u>2020</u> \$
<u>Unit Trusts</u>					
Singapore	1	9	8	2,838,525	1,940,883
United States	1	1	1	252,418	194,413
Subtotal		<u>10</u>	<u>9</u>	<u>3,090,943</u>	<u>2,135,296</u>
Total		<u>100</u>	<u>100</u>	<u>30,873,199</u>	<u>23,636,418</u>

The quoted debt securities have a maturity date expiring ranging from April 2021 to March 2035 (2020: April 2021 to September 2031). The rate of interest ranges from 1.300% to 6.125% (2020: 2.84% to 7.15%) per annum.

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11. Financial assets (cont'd)

11D. Disclosures relating to investments at FVTPL (cont'd)

The fair values of quoted debt securities and equity shares in corporations (Level 1) are based on prices in an active market at the end of the reporting year. Investments in equity securities are exposed to market price risk arising from uncertainties on the future values of the investment securities. The sensitivity analysis effect is as follow:

	<u>2021</u> \$	<u>2020</u> \$
A hypothetical 10% increase in the fair value of quoted equity securities would increase other comprehensive income by the following amount	<u>1,372,000</u>	<u>795,000</u>

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

The figure does not reflect the currency risk, which has been considered in the foreign currency risks analysis section only. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

12. Inventories

	<u>2021</u> \$	<u>2020</u> \$
Merchandise held for resale	<u>128,831</u>	<u>147,888</u>

13. Trade and other receivables

	<u>2021</u> \$	<u>2020</u> \$
<u>Trade receivables</u>		
Outside parties	113,373	51,850
Less: allowance for impairment	<u>(5,527)</u>	<u>(5,719)</u>
Net trade receivables – subtotal	<u>107,846</u>	<u>46,131</u>
<u>Other receivables</u>		
Interest receivables	180,747	303,169
Income receivable	168,246	14,111
Outside parties	<u>-</u>	<u>39,745</u>
Net other receivables – subtotal	<u>348,993</u>	<u>357,025</u>
Total trade and other receivables	<u>456,839</u>	<u>403,156</u>

Movement in above allowance on trade receivables:

	<u>2021</u> \$	<u>2020</u> \$
At the beginning of the year	5,719	5,366
(Reverse) / Charged to statement of financial activities included in expenditure for charitable activities (Note 5)	<u>(192)</u>	<u>353</u>
At the end of the year	<u>5,527</u>	<u>5,719</u>

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13. Trade and other receivables (cont'd)

The entity has a large number of customers and which can be graded as low risk individually. These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. At the end of the reporting year, a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of \$5,527 (2020: \$5,719) is recognised. There is no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Ageing analysis of trade receivable amounts that are past due at the end of the reporting year but not impaired:

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Trade receivables:</u>		
31 to 60 days	16,754	3,076
61 to 90 days	1,156	321
Over 90 days	1,893	54
Total	<u>19,803</u>	<u>3,451</u>

There is no concentration of credit risk with respect to trade receivables, as there are a large number of customers.

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk.

Other receivables are normally with no fixed terms and therefore there is no maturity.

14. Other non-financial assets

	<u>2021</u>	<u>2020</u>
	\$	\$
Deposits to secure services	75,705	61,233
Prepayments	222,786	183,989
Contract assets (a)	266,860	381,228
Grant receivable (b)	-	223,526
	<u>565,351</u>	<u>849,976</u>

- (a) The contract assets relate to the Foundation's rights to consideration for Registry of Automatic External Defibrillator Integration ("R-AEDi") which was completed but not due for billing per contract as at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

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14. Other non-financial assets (cont'd)

- (b) Grant receivable relates to the estimated payout under the Jobs Support Scheme that the Foundation is expecting to receive in the next financial year. The Jobs Support Scheme is introduced by the government under the Stabilisation and Support Package that was announced during Budget 2021, with the intention of providing greater assurance and support to workers and enterprises during the COVID-19 pandemic.

15. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash and bank balances (a)	3,378,002	5,106,929
Fixed deposits with financial institutions	<u>19,698,507</u>	<u>16,385,115</u>
	<u>23,076,509</u>	<u>21,492,044</u>
Fixed deposits with financial institutions Mature within 1 year	<u>19,698,507</u>	<u>16,385,115</u>

The fixed deposits earn interest at rates ranging from 0.3% to 2.07% (2020: 0.65% to 2.07%) per annum.

- (a) Included in cash and bank balance is an amount of \$1,478,774 (2020: \$4,225,971) held by fund managers that are banks.

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16. Fund account transactions and balances

	Restricted Funds										Pfizer Education and Research Fund	Total
	Asia-Pacific Heart Network Fund	Care & Share Matching Grant	Edwards Lifesciences Foundation	Heart Wellness Centre	AEDS in Bukit Gombak	NCSS-VWOs-Charities Capability Fund	Temasek Cares Fund	Others				
	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2021:												
Incoming Resources:												
Charitable activities	-	-	107,394	-	-	-	-	-	-	-	20,000	127,394
Governance and operating costs	-	-	-	-	-	-	-	-	3,000	-	-	3,000
Total incoming resources	-	-	107,394	-	-	-	-	-	3,000	-	20,000	130,394
Resources Expended:												
Fund-raising activities	-	(1,177)	(1,323)	-	-	-	-	-	-	-	-	(2,500)
Charitable activities	-	(321,474)	(41,882)	(8,840)	-	-	-	-	-	-	-	(372,196)
Governance and operating costs	-	(24,784)	(10,586)	-	-	(1,200)	-	-	(3,000)	-	-	(39,570)
Total resources expended	-	(347,435)	(53,791)	(8,840)	-	(1,200)	-	-	(3,000)	-	-	(414,266)
Surplus / (Deficit) for the year	-	(347,435)	53,603	(8,840)	-	(1,200)	-	-	-	-	20,000	(283,872)
2020:												
Incoming Resources:												
Charitable activities	-	-	107,804	-	-	-	-	-	10,156	-	-	117,960
Governance and operating costs	-	-	-	-	-	2,031	-	-	-	-	-	2,031
Total incoming resources	-	-	107,804	-	-	2,031	-	-	10,156	-	-	119,991
Resources Expended:												
Fund-raising activities	-	(2,100)	-	-	-	-	-	-	-	-	-	(2,100)
Charitable activities	(36,812)	(427,348)	(161,637)	(11,179)	(27,617)	-	(252,475)	-	(10,156)	-	-	(927,224)
Governance and operating costs	-	(24,749)	-	-	-	(11,031)	-	-	-	-	-	(35,780)
Total resources expended	(36,812)	(454,197)	(161,637)	(11,179)	(27,617)	(11,031)	(252,475)	-	(10,156)	-	-	(965,104)
Surplus / (Deficit) for the year	(36,812)	(454,197)	(53,833)	(11,179)	(27,617)	(9,000)	(252,475)	-	-	-	-	(845,113)

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16. Fund account transactions and balances (cont'd)

	Unrestricted Funds		Restricted Funds									
	General fund	Infrastructure Development Fund	Asia-Pacific Heart Network Fund	Care & Share Matching Grant	Edwards Lifesciences Foundation	Heart Wellness Centre	AEDS in Bukit Gombak	NCSS-VWOs-Charities Capability Fund	Temasek Cares Fund	Pfizer Education and Research Fund	Total	
2021:	\$ (i)	\$ (ii)	\$ (iii)	\$ (iv)	\$ (v)	\$ (vi)	\$ (vii)	\$ (viii)	\$ (ix)	\$ (x)	\$	
Non-current assets												
Property, plant and equipment	4,643,819	-	-	195,469	-	25,026	-	-	-	-	4,864,314	
Financial assets - FVTPL	30,873,199	-	-	-	-	-	-	-	-	-	30,873,199	
Right-of-use assets	777,926	-	-	-	-	-	-	-	-	-	777,926	
Total non-current assets	36,294,944	-	-	195,469	-	25,026	-	-	-	-	36,515,439	
Current assets												
Inventories	128,831	-	-	-	-	-	-	-	-	-	128,831	
Trade and other receivables	456,839	-	-	-	-	-	-	-	-	-	456,839	
Other non-financial assets	565,351	-	-	-	-	-	-	-	-	-	565,351	
Cash and cash equivalents	7,917,473	15,000,000	10,543	-	107,394	-	21,099	-	-	20,000	23,076,509	
Total current assets	9,068,494	15,000,000	10,543	-	107,394	-	21,099	-	-	20,000	24,227,530	
Total assets	45,363,438	15,000,000	10,543	195,469	107,394	25,026	21,099	-	-	20,000	60,742,969	
Non-current liabilities												
Lease liabilities, non-current	581,851	-	-	-	-	-	-	-	-	-	581,851	
Other liabilities	130,000	-	-	-	-	-	-	-	-	-	130,000	
Total non-current liabilities	711,851	-	-	-	-	-	-	-	-	-	711,851	
Current liabilities												
Lease liabilities, current	212,419	-	-	-	-	-	-	-	-	-	212,419	
Trade and other payables	1,477,458	-	-	-	-	-	-	-	-	-	1,477,458	
Other liabilities	205,783	-	-	-	-	-	-	-	-	-	205,783	
Total current liabilities	1,895,660	-	-	-	-	-	-	-	-	-	1,895,660	
Total liabilities	2,607,511	-	-	-	-	-	-	-	-	-	2,607,511	
Net assets	42,755,927	15,000,000	10,543	195,469	107,394	25,026	21,099	-	-	20,000	58,135,458	

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16. Fund account transactions and balances (cont'd)

	Unrestricted Funds		Restricted Funds							Pfizer Education and Research Fund	Total
	General fund	Infrastructure Development Fund	Asia-Pacific Heart Network Fund	Care & Share Matching Grant	Edwards Lifesciences Foundation	Heart Wellness Centre	AEDS in Bukit Gombak	NCSS-VWOs-Charities Capability Fund	Temasek Cares Fund		
2020:	\$ (i)	\$ (ii)	\$ (iii)	\$ (iv)	\$ (v)	\$ (vi)	\$ (vii)	\$ (viii)	\$ (ix)	\$ (x)	\$
Non-current assets											
Property, plant and equipment	4,771,700	-	-	348,566	-	33,866	-	-	-	-	5,154,132
Financial assets - FVTPL	23,636,418	-	-	-	-	-	-	-	-	-	23,636,418
Right-of-use assets	902,352	-	-	-	-	-	-	-	-	-	902,352
Total non-current assets	29,310,470	-	-	348,566	-	33,866	-	-	-	-	29,692,902
Current assets											
Inventories	147,888	-	-	-	-	-	-	-	-	-	147,888
Trade and other receivables	403,156	-	-	-	-	-	-	-	-	-	403,156
Other non-financial assets	849,976	-	-	-	-	-	-	-	-	-	849,976
Cash and cash equivalents	6,211,073	15,000,000	10,543	194,338	53,791	-	21,099	1,200	-	-	21,492,044
Total current assets	7,612,093	15,000,000	10,543	194,338	53,791	-	21,099	1,200	-	-	22,893,064
Total assets	36,922,563	15,000,000	10,543	542,904	53,791	33,866	21,099	1,200	-	-	52,585,966
Non-current liabilities											
Lease liabilities, non-current	706,992	-	-	-	-	-	-	-	-	-	706,992
Other liabilities	130,000	-	-	-	-	-	-	-	-	-	130,000
Total non-current liabilities	836,992	-	-	-	-	-	-	-	-	-	836,992
Current liabilities											
Lease liabilities, current	206,284	-	-	-	-	-	-	-	-	-	206,284
Trade and other payables	1,312,192	-	-	-	-	-	-	-	-	-	1,312,192
Other liabilities	379,224	-	-	-	-	-	-	-	-	-	379,224
Total current liabilities	1,897,700	-	-	-	-	-	-	-	-	-	1,897,700
Total liabilities	2,734,692	-	-	-	-	-	-	-	-	-	2,734,692
Net assets	34,187,871	15,000,000	10,543	542,904	53,791	33,866	21,099	1,200	-	-	49,851,274

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16. Fund account transactions and balances (cont'd)

- i) General fund - this represents cumulative surpluses available for general use for the furtherance of the Foundation's objectives.
- ii) Infrastructure Development Fund – The Infrastructure development fund was set up by the Board by way of transfer of funds from the General Fund. The purpose of this Fund is for the acquisition of property in the future for additional wellness centres. The General fund will contribute its operating surplus to build up this fund at the Boards' discretion.
- iii) Asia-Pacific Heart Network Fund – Asia-Pacific Heart Network (APHN) is a network of heart foundations in the Asia-Pacific region, of which Singapore Heart Foundation is a member. From November 2016, the secretariat moved from Osaka, Japan to Singapore and is now a programme of Singapore Heart Foundation. At the end of the reporting year ended 31 March 2017, the fund belonging to APHN amounting to \$8,189 was transferred to the Foundation. In August 2020, a grant amounting to \$47,355 was given by Amgen Asia Holding Limited to help defray the expenses incurred by Singapore Heart Foundation for handling the secretariat works for APHN and APHN meeting or advocacy workshop in Manila which coincides with the APSC 2021 Congress. Currently, Singapore Heart Foundation has been utilizing this fund for the above purposes.
- iv) Care & Share Matching Grant – The Care & Share matching grant is a dollar-for-dollar donation matching grant provided by the Singapore government to encourage public donation and to develop social-service-related voluntary welfare organisations and their programmes to better serve beneficiaries. The grant can be used for capability and capacity building, new initiatives/expansion of existing services and critical existing needs. The funds are utilized for research, rehabilitation programmes, manpower expenses and purchase of equipment. The fund has been fully utilized as of 31 March 2021 and the amount remaining as of year-end pertains to the net book value of the property, plant and equipment.
- v) Edwards Lifesciences Foundation – This grant was given by Edwards Lifesciences Foundation to help defray the expenses incurred by Singapore Heart Foundation for assisting heart patients and help individuals at risk of developing cardiovascular diseases to manage their condition and promote heart health awareness.
- vi) Heart Wellness Centre - Benefiting from his weekly cardiac rehabilitation exercise programme, one of our pioneer clients of mobile cardiac rehabilitation project at Bukit Gombak ActiveSG gym pledged to donate \$50,000 to the purchase of a set of pneumatic resistance training equipment manufactured by HUR for Singapore Heart Foundation's new wellness centre at Bukit Gombak. The donor felt that Singapore Heart Foundation has a proven track record and his donation would benefit future patients for many years to come. The fund has been fully utilised as of 31 March 2021 and the amount remaining as of year-end pertains to the net book value of the training equipment.
- vii) AEDS in Bukit Gombak – A donor has donated \$50,000 to the purchase and installation of Automatic External Defibrillators (AEDs) for all condominiums in Bukit Gombak. The donor felt that Singapore Heart Foundation has a proven track record and his donation would benefit future residents for many years to come. Currently, Singapore Heart Foundation has been utilizing this fund for the above purposes and the estimated completion date of this project is by 31 March 2023.

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16. Fund account transactions and balances (cont'd)

- viii) NCSS-VWOs-Charities Capability Fund - Singapore Heart Foundation intends to undertake a consultancy project known as Internal Audit Services to create effectiveness and efficiency of operations; to create the reliability of financial reporting and compliance with applicable laws and regulations. National Council Of Social Serviceas the administrator of the Ministry of Culture, Community and Youth ("the MCCY") VWOs-Charities Capability Fund ("VCF"), gives the Foundation a grant of up to a maximum of \$20,400 (approved funding amount) or up to 80% of the actual expenditure, whichever is lower. The fund has been fully utilized as of 31 March 2021.
- ix) Temasek Cares Fund – This Fund was set up in partnership with Temasek Cares with the objective of raising bystander response rate in cases of cardiac arrest outside hospitals. This programme aims to equip volunteers with basic resuscitation skills, i.e. continuous chest compression-only resuscitation, where studies have shown that it is effective as a life-saving skill. Temasek Cares awarded a sum of \$802,524 for piloting this programme. The programme was closed down in prior year, and all remaining funds of \$252,475 have been returned to Temasek Cares.
- x) Pfizer Educational and Research fund – This educational grant was provided by Pfizer Private Limited to support an Educational and Research Project. The estimated completion date of this project is by 31 March 2023.

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17. Other liabilities, non-current

	<u>2021</u>	<u>2020</u>
	\$	\$
Provision for restoration costs:		
Balance at the beginning and end of the year	<u>130,000</u>	<u>130,000</u>

The above provision represents the estimated costs of dismantling, removing and restoring leased premises to their original condition at the expiration of the lease periods. The provision is based on management's estimate.

18. Trade and other payables

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade and other payables	406,775	538,321
Accrued liabilities	<u>1,070,683</u>	<u>773,871</u>
Total	<u>1,477,458</u>	<u>1,312,192</u>

19. Other non-financial liabilities, current

	<u>2021</u>	<u>2020</u>
	\$	\$
Advance payments	<u>205,783</u>	<u>379,224</u>

These are deposits for courses and sponsorships, logo acknowledgement and events.

20. Lease liabilities and right-of-use assets

The right-of-use assets and lease liabilities are in the statement of financial position. The movements are as follows:

Right-of-use assets:	<u>Equipment</u>	<u>Office premises</u>	<u>Warehouse and storage</u>	<u>Total</u>
	\$	\$	\$	\$
<u>Cost:</u>				
At 1 April 2019	35,843	967,676	32,936	1,036,455
Additions	-	-	72,237	72,237
At 31 March 2020	<u>35,843</u>	<u>967,676</u>	<u>105,173</u>	<u>1,108,692</u>
Additions	-	-	115,954	115,954
Written off	-	-	(27,949)	(27,949)
At 31 March 2021	<u>35,843</u>	<u>967,676</u>	<u>193,178</u>	<u>1,196,697</u>
<u>Accumulated depreciation:</u>				
At 1 April 2019	-	-	-	-
Depreciation for the year	(11,319)	(161,761)	(33,260)	(206,340)
At 31 March 2020	<u>(11,319)</u>	<u>(161,761)</u>	<u>(33,260)</u>	<u>(206,340)</u>
Depreciation for the year	(11,319)	(161,761)	(39,351)	(212,431)
At 31 March 2021	<u>(22,638)</u>	<u>(323,522)</u>	<u>(72,611)</u>	<u>(418,771)</u>
<u>Carrying value:</u>				
At 31 March 2020	<u>24,524</u>	<u>805,915</u>	<u>71,913</u>	<u>902,352</u>
At 31 March 2021	<u>13,205</u>	<u>644,154</u>	<u>120,567</u>	<u>777,926</u>

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20. Lease liabilities and right-of-use assets (cont'd)

The depreciation expense is charged in Statement of Financial Activities under:

	<u>2021</u>	<u>2020</u>
	\$	\$
Charitable activities (Note 5)	119,303	119,303
Governance and operating costs (Note 6)	<u>93,128</u>	<u>87,037</u>
Total	<u>212,431</u>	<u>206,340</u>

Lease liabilities are presented in the statement of financial position as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Lease liabilities, current	212,419	206,284
Lease liabilities, non-current	<u>581,851</u>	<u>706,992</u>
	<u>794,270</u>	<u>913,276</u>

The leases are for office premises, warehouse and equipment. The lease contracts are usually for fixed periods of 3 to 5 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

A summary of the maturity analysis of lease liabilities is disclosed in Note 23E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed above.

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	<u>2021</u>	<u>2020</u>
	\$	\$
Expense relating to leases of low-value assets included in other expenses	<u>22,050</u>	<u>86,037</u>

21. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Commitments to purchase of property, plant and equipment	<u>81,600</u>	<u>-</u>

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22. Reserve policy

The primary objective of the Foundation's reserves management policy is to ensure that it maintains strong and healthy fund ratios in order to support its operations and potential initiatives.

The Foundation targets to maintain an optimum level of accumulated fund which is equivalent to three years of its budgeted operating expenditure. This excludes restricted funds. The Foundation regularly reviews and manages its reserves to ensure optimal fund structure, taking into consideration the future fund requirements of the Foundation and fund efficiency, projected income and operating cash flows.

The Investment Committee sets the guidelines of the Foundation's Investment Policy. It closely monitors the investment of surplus funds and reserves of the Foundation.

The Foundation is not subject to externally imposed fund requirements other than those specified as restricted.

There were no changes to the Foundation's approach to reserves management during the year.

23. Financial instruments: information on financial risks

23A. Categories of financial assets and liabilities

The following table categories the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	23,533,348	21,895,200
Financial assets at FVTPL	<u>30,873,199</u>	<u>23,636,418</u>
At the end of the year	<u>54,406,547</u>	<u>45,531,618</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>2,271,728</u>	<u>2,225,468</u>
At the end of the year	<u>2,271,728</u>	<u>2,225,468</u>

Further quantitative disclosures are included throughout these financial statements.

23B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The Foundation has undertaken certain practices for the management of financial risks based on acceptable market practice.

During the year, there have been no changes to the exposures to risks, the objectives, policies and processes for managing the risks and the methods used to measure the risks.

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23. Financial instruments: information on financial risks (cont'd)

23B. Financial risk management (cont'd)

The Foundation maintains positions in a variety of financial instruments in accordance with its investment objectives and guidelines.

The Foundation's Investment Committee is tasked with the responsibility to review the investment operations of the Foundation and to make appropriate investment decisions. The Investment Committee sets the guidelines of the Foundation's Investment Policy.

The Investment Committee meets regularly with the independent fund manager and custodian to assess and review the risks as well as the performance of the investments (see Note 11).

23C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

23D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings.

For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach, the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For credit risk on trade receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 15 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

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23. Financial instruments: information on financial risks (cont'd)

23E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2020: 30 days). The other payables are with short-term durations.

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

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	<u>Less than 1</u> <u>year</u>	<u>1 – 3</u> <u>years</u>	<u>3 – 5</u> <u>years</u>	<u>Total</u>
	\$	\$	\$	\$
Non-derivative financial liabilities:				
<u>2021:</u>				
Gross lease liabilities	229,611	580,056	22,625	832,292
Trade and other payables	1,477,458	-	-	1,477,458
At end of the year	<u>1,707,069</u>	<u>580,056</u>	<u>22,625</u>	<u>2,309,750</u>
<u>2020:</u>				
Gross lease liabilities	226,291	569,422	171,112	966,825
Trade and other payables	1,312,192	-	-	1,312,192
At end of the year	<u>1,538,483</u>	<u>569,422</u>	<u>171,112</u>	<u>2,279,017</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

23F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial assets. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<u>2021</u> \$	<u>2020</u> \$
Financial assets:		
Fixed rates	33,240,907	29,506,347
Floating rates (a)	518,850	430,000
	<u>33,759,757</u>	<u>29,936,347</u>

(a) From quoted debt securities (Note 11) with variable coupon rates.

<u>Sensitivity analysis:</u>	<u>2021</u> \$	<u>2020</u> \$
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Financial assets through other comprehensive income:

A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase / decrease effect on the fair value of floating rate financial assets classified as FVTPL

5,189	<u>4,300</u>
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23. Financial instruments: information on financial risks (cont'd)

23F. Interest rate risk (cont'd)

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

23G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of major amounts denominated in non-functional currency:

	<u>Euro</u>	<u>US Dollars</u>	<u>Hong Kong Dollars</u>	<u>Total</u>
<u>2021:</u>	\$	\$	\$	\$
<u>Financial assets:</u>				
Cash and cash equivalent	52,423	145,502	(89,349)	108,576
Financial assets - FVTPL	156,115	1,198,213	639,623	1,993,951
Net financial assets	<u>208,538</u>	<u>1,343,715</u>	<u>550,274</u>	<u>2,102,527</u>

	<u>Euro</u>	<u>US Dollars</u>	<u>Hong Kong Dollars</u>	<u>Total</u>
<u>2020:</u>	\$	\$	\$	\$
<u>Financial assets:</u>				
Cash and cash equivalent	132,915	210,385	-	343,300
Financial assets - FVTPL	90,550	855,990	264,267	1,210,807
Net financial assets	<u>223,465</u>	<u>1,066,375</u>	<u>264,267</u>	<u>1,554,107</u>

Sensitivity analysis:

	<u>2021</u>	<u>2020</u>
	\$	\$
A hypothetical 10% increase in the exchange rate of the functional currency S\$ against Euro would have an adverse effect on fair value	(20,854)	(22,347)
A hypothetical 10% increase in the exchange rate of the functional currency S\$ against US Dollars would have an adverse effect on fair value	(134,372)	(106,638)
A hypothetical 10% increase in the exchange rate of the functional currency S\$ against Hong Kong Dollars would have an adverse effect on fair value	<u>(55,027)</u>	<u>(26,427)</u>

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23. Financial instruments: information on financial risks (cont'd)

23G. Foreign currency risk (cont'd)

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For a similar rate weakening of the functional currency against the relevant foreign currencies, there would be comparable impacts in the opposite direction.

The hypothetical in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entity has significant exposure at the end of the reporting year. The analysis above has been carried out without taking into consideration hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

24. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 1 and 8	Definition of Material – Amendments to FRS 1 and 8
FRS PS 2	FRS Practice Statement 2 Making Materiality Judgements The Conceptual Framework for Financial Reporting

25. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the company for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the company's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to FRS 16	1 January 2022
Various	Annual Improvements to FRSs 2018 - 2020	1 January 2022
FRS 1	Presentation of Financial Statements - amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023