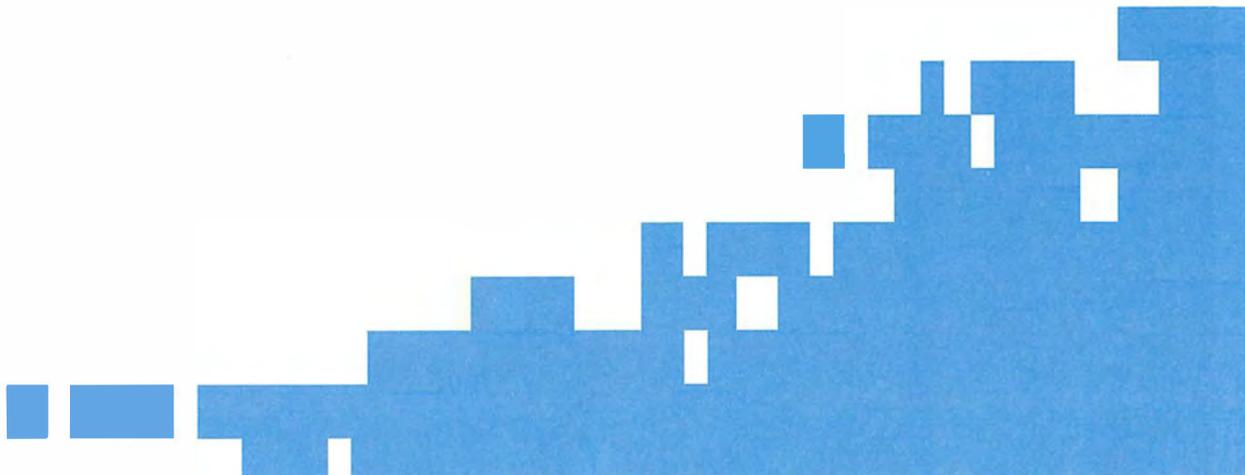


SINGAPORE HEART FOUNDATION

(Unique Entity No: S70SS0007H)

Statement by Board of Directors and Financial Statements

Year Ended 31 March 2024



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 1966 (the "Societies Act") and the Charities Act 1994 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 2024 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

5 August 2024



.....
Dr Bernard Kwok Wing Kuin
Honorary Treasurer

RSM SG Assurance LLP

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

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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 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the Foundation as at 31 March 2024 and of the financial performance, changes in funds and cash flows of the Foundation for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 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.

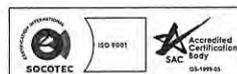
Other information

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.

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.

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

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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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**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)

- (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 Goh Swee Hong.

RSM SG Assurance LLP

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

5 August 2024

Effective from reporting year ended 31 March 2023

SINGAPORE HEART FOUNDATION

**Statement of Financial Activities
Year Ended 31 March 2024**

	Notes	Unrestricted fund 2024 \$	Restricted fund 2024 \$	Total 2024 \$	Unrestricted fund 2023 \$	Restricted fund 2023 \$	Total 2023 \$
Incoming Resources:							
Fund-raising activities	4	8,954,642	-	8,954,642	7,281,965	4,618	7,286,583
Charitable activities	5	1,367,355	116,965	1,484,320	837,993	375,148	1,213,141
Governance and operating activities	7	146,111	-	146,111	127,768	21,848	149,616
Other income		3,312,995	-	3,312,995	1,776,274	-	1,776,274
Total incoming resources		13,781,103	116,965	13,898,068	10,024,000	401,614	10,425,614
Resources Expended:							
Fund-raising activities	4	1,376,390	-	1,376,390	925,973	-	925,973
Charitable activities	5	6,976,165	194,824	7,170,989	5,952,127	231,004	6,183,131
Governance and operating costs	6	1,369,012	190	1,369,202	1,347,730	2,405	1,350,135
Other expenditure	7	81,654	-	81,654	2,963,599	-	2,963,599
Total resources expended		9,803,221	195,014	9,998,235	11,189,429	233,409	11,422,838
Surplus / (deficit) for the year	16	3,977,882	(78,049)	3,899,833	(1,165,429)	168,205	(997,224)
Other comprehensive income / (loss)							
Financial assets at FVTOCI	11	88,322	-	88,322	(144,550)	-	(144,550)
Other comprehensive income / (loss)		88,322	-	88,322	(144,550)	-	(144,550)
Total comprehensive income / (loss) for the year		4,066,204	(78,049)	3,988,155	(1,309,979)	168,205	(1,141,774)

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

SINGAPORE HEART FOUNDATION

Statement of Financial Position As at 31 March 2024

	<u>Notes</u>	<u>2024</u> \$	<u>2023</u> \$
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	10	13,557,616	4,504,081
Financial assets at FVTPL	11	41,171,837	39,130,653
Financial assets at FVTOCI	11	3,943,772	3,855,450
Other non-financial assets	14	–	1,168,630
Right-of-use assets	20	182,069	385,793
Total non-current assets		<u>58,855,294</u>	<u>49,044,607</u>
<u>Current assets</u>			
Inventories	12	16,625	51,760
Trade and other receivables	13	697,807	333,182
Other non-financial assets	14	603,164	256,302
Cash and cash equivalents	15	5,277,117	11,660,488
Total current assets		<u>6,594,713</u>	<u>12,301,732</u>
Total assets		<u>65,450,007</u>	<u>61,346,339</u>
FUNDS AND LIABILITIES			
<u>Unrestricted funds</u>			
General fund	16	48,703,216	44,439,221
Other Reserves	16	(56,228)	(144,550)
Infrastructure Development Fund	16	14,713,887	15,000,000
Total unrestricted funds		<u>63,360,875</u>	<u>59,294,671</u>
<u>Restricted funds</u>			
Asia-Pacific Heart Network Fund	16	10,543	10,543
Care & Share Matching Grant	16	24,482	66,304
Edwards Lifesciences Foundation	16	105,776	105,824
Heart Wellness Centre	16	–	5,008
AEDS In Bukit Gombak	16	5,218	21,099
Philips Foundation	16	–	15,290
Total restricted funds		<u>146,019</u>	<u>224,068</u>
Total funds		<u>63,506,894</u>	<u>59,518,739</u>
<u>Non-current liabilities</u>			
Lease liabilities	20	36,569	192,874
Provisions	17	130,000	130,000
Total non-current liabilities		<u>166,569</u>	<u>322,874</u>
<u>Current liabilities</u>			
Lease liabilities	20	156,305	210,560
Trade and other payables	18	1,474,605	1,170,559
Other non-financial liabilities	19	145,634	123,607
Total current liabilities		<u>1,776,544</u>	<u>1,504,726</u>
Total liabilities		<u>1,943,113</u>	<u>1,827,600</u>
Total funds and liabilities		<u>65,450,007</u>	<u>61,346,339</u>

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

SINGAPORE HEART FOUNDATION

Statement of Changes in Funds Year Ended 31 March 2024

	Unrestricted Funds		Restricted Funds										
	General fund	Other Reserves	Infrastructure Development Fund	Sub-Total	Asia-Pacific Heart Network Fund	Care & Share Matching Grant	Edwards Lifesciences Foundation	Heart Wellness Centre	AEDS in Bukit Gombak	Pfizer Education And Research Fund	Philips Foundation	Sub-Total	Total
Current year:													
Opening balance at 1 April 2023	44,439,221	(144,550)	15,000,000	59,294,671	10,543	66,304	105,824	5,008	21,099	-	15,290	224,068	59,518,739
Changes in funds:	4,263,995	88,322	(286,113)	4,066,204	-	(41,822)	(48)	(5,008)	(15,881)	-	(15,290)	(78,049)	3,988,155
Surplus / (deficit) for the year	48,703,216	(56,228)	14,713,887	63,360,875	10,543	24,482	105,776	-	5,218	-	-	146,019	63,506,894
Closing balance at 31 March 2024													

	Unrestricted Funds		Restricted Funds										
	General fund	Other Reserves	Infrastructure Development Fund	Sub-Total	Asia-Pacific Heart Network Fund	Care & Share Matching Grant	Edwards Lifesciences Foundation	Heart Wellness Centre	AEDS in Bukit Gombak	Pfizer Education And Research Fund	Philips Foundation	Sub-Total	Total
Current year:													
Opening balance at 1 April 2022	45,604,650	-	15,000,000	60,604,650	10,543	(136,111)	111,014	15,015	21,099	9,303	25,000	55,863	60,660,513
Changes in funds:	(1,165,429)	(144,550)	-	(1,309,979)	-	202,415	(5,190)	(10,007)	-	(9,303)	(9,710)	168,205	(1,141,774)
(Deficit) / surplus for the year	44,439,221	(144,550)	15,000,000	59,294,671	10,543	66,304	105,824	5,008	21,099	-	15,290	224,068	59,518,739
Closing balance at 31 March 2023													

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

SINGAPORE HEART FOUNDATION

Statement of Cash Flows Year Ended 31 March 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Surplus / (deficit) for the year	3,899,833	(997,224)
Adjustments for:		
Depreciation of property, plant and equipment	447,587	346,877
Depreciation of right-of-use assets	203,724	203,426
Fair value losses on financial instrument at FVTPL	(1,459,156)	2,121,762
Investment income	(1,678,991)	(1,686,198)
Interest expense	7,296	12,592
Interest income	(56,843)	(85,581)
Net loss on disposal of financial instrument at FVTPL	(116,845)	819,016
Gain on disposal of property, plant and equipment	(1,160)	(4,495)
Operating surplus before changes in working capital	<u>1,245,445</u>	<u>730,175</u>
Inventories	35,135	41,502
Trade and other receivables	(444,071)	679,659
Other non-financial assets	(346,862)	5,576
Trade and other payables	304,046	(83,081)
Other non-financial liabilities	22,027	(112,684)
Net cash flows from operating activities	<u>815,720</u>	<u>1,261,147</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(8,333,310)	(92,994)
Purchase of financial assets at FVTPL	(12,798,048)	(15,795,168)
Purchase of financial assets at FVTOCI	-	(4,000,000)
Investment income received	1,678,991	1,686,198
Interest received	136,289	2,772
Deposit for purchase property	-	(1,168,630)
Proceeds from disposal of property, plant and equipment	1,978	4,728
Proceeds from disposal of financial instrument at FVTPL	12,332,865	12,677,581
Net cash flows used in investing activities	<u>(6,981,235)</u>	<u>(6,685,513)</u>
<u>Cash flows from financing activities</u>		
Lease liabilities	(217,856)	(217,551)
Net cash flows used in financing activities	<u>(217,856)</u>	<u>(217,551)</u>
Net decrease in cash and cash equivalents	(6,383,371)	(5,641,917)
Cash and cash equivalents, beginning balance	11,660,488	17,302,405
Cash and cash equivalents, ending balance (Note 15)	<u>5,277,117</u>	<u>11,660,488</u>

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

SINGAPORE HEART FOUNDATION

Notes to the Financial Statements 31 March 2024

1. General information

Singapore Heart Foundation (the "Foundation") is a Foundation registered in Singapore under the Societies Act 1966. It was granted the status of an Institution of a Public Character (Registration No. S70SS0007H) under the Charities Act 1994 until 28 June 2025 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 ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Societies Act 1966 and Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"). The standards are referred to in these financial statements as the financial reporting standards.

Basis of preparation of the financial statements

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 financial reporting standards 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.

SINGAPORE HEART FOUNDATION

2. Material accounting policy information and other explanatory information

2A. Material accounting policy

Revenue and income recognition

General - Revenue / income is recognised when the reporting entity has entitlement to the income, it is probable that the economic benefits associated with the transaction or gift will flow to the reporting entity and the amount can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(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.

(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. A government grant related to assets or specific expenses should be recognised in the statement of financial activities and is presented in the statement of financial position by setting up the government grant as fund. For government grant related to assets, the relevant fund will then be reduced over the useful life of the asset in line with its depreciation. For government grant related to specific expenses, the relevant fund will then be reduced as and when the expenses is expended.

(v) Sale of merchandise

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).

(vi) Services

These are only included in income where the benefit to the reporting entity is reasonably quantifiable, measurable and material. The value placed on these receipts is the estimated value to the reporting entity of the service or facility received.

SINGAPORE HEART FOUNDATION

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy (cont'd)

Revenue and income recognition (cont'd)

(vii) 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 \$40,850 (2023: \$20,315).

Investment transactions

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.

Expenditures

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.

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.

SINGAPORE HEART FOUNDATION

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy (cont'd)

Income tax

As an approved charity under the Charities Act 1994, the Foundation is exempted from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

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.

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 estimated useful lives are as follows:

Leasehold properties	- Over the period of lease of 54 to 66 years
Computers	- 1 year
Office furniture & electrical equipment	- 5 years
Renovations	- 3 years
Exercise and medical equipment	- 5 years
Robots	- 3 years

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.

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 estimated useful lives are as follows:

Equipment	- 3 years
Office premises	- 3 to 5 years
Warehouse and storage	- 2 to 3 years

SINGAPORE HEART FOUNDATION

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy (cont'd)

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Inventories

Inventories consisting of cardiopulmonary resuscitation kits, defibrillators and heart rate monitors are measured at the lower of cost (first in first out method) and net realisable value.

Carrying amounts of non-financial assets

The carrying amount of 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 expensed. 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.

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 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.

SINGAPORE HEART FOUNDATION

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets:

The financial reporting standard on financial instruments has four categories of financial assets and two categories for liabilities. At the end of the reporting year, the reporting entity had the following categories financial assets and financial liabilities:

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.

Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): A debt asset instrument is measured at fair value through other comprehensive income (FVTOCI) only if it meets both of the following conditions and is not designated as at FVTPL, that is (a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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. Financial assets are not reclassified subsequent to their initial recognition, except when, and only when, the Foundation changes its business model for managing financial assets (expected to be rare and infrequent events). The previously recognised gains, losses, or interest cannot be restated. When these financial assets are derecognised, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

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.

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.

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2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy (cont'd)

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. Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

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. Material accounting policy information and other explanatory information (cont'd)

2B. Other explanatory information

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.

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.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Foundation to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (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 board 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.

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

Material related party transactions:

	Related party	
	<u>2024</u>	<u>2023</u>
	\$	\$
Cash sponsorship income*	1,000	1,000
Sponsorship / Donations-in-kind income*	<u>1,350</u>	<u>9,000</u>

* From a company (the Sponsor) in which a Board member is a director. Under the two-year sponsorship ending March 2025, the Sponsor may use, but subject to the Foundation's prior approval, the Foundation's logo together with the line "In support of" in its advertising and point-of-sales materials and in product packaging in Singapore.

3A. Key management compensation

	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries and other short-term employee benefits	<u>1,225,487</u>	<u>1,004,613</u>

The above amounts are included under employee benefits expense.

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>2024</u>	<u>2023</u>
	\$	\$
Remuneration band:	Number	Number
Between \$100,001 - \$200,000	3	1
Between \$200,001 - \$300,000	2	3
Above \$300,000	<u>1</u>	<u>-</u>

4. Fund-raising activities

Incoming resources from fund-raising activities

	<u>2024</u>	<u>2023</u>
	\$	\$
Direct Donor Debit Programme	7,618,229	6,532,589
Online and GIRO	557,496	329,762
Charity Golf	461,014	284,921
Others	133,843	58,517
Logo acknowledgement from commercial organisations	133,299	75,036
Flag Day	50,761	1,140
Grants	-	4,618
Total	<u>8,954,642</u>	<u>7,286,583</u>

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4. Fund-raising activities (cont'd)

Resources expended for fund-raising activities	<u>2024</u> \$	<u>2023</u> \$
Direct Donor Debit Programme	752,424	399,244
Administration fee	296,509	213,129
Salaries and related charges	129,253	123,551
Bank charges	119,304	98,852
Event setup cost and management fees	52,490	66,351
Professional fees	5,818	12,380
Postage, printing and telecommunication	7,173	9,524
Maintenance, supplies and materials	4,608	2,730
Audit-related services (ARS) fees to the independent auditor of the reporting entity	4,500	-
Prizes and souvenirs	3,681	22
Media Publicity and advertisement	630	190
Total	<u>1,376,390</u>	<u>925,973</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.

	Income for general fund \$	Fund generating expenses for general fund \$	Net fund generating income for general fund \$
<u>2024:</u>			
Direct Donor Debit Programme	<u>7,618,229</u>	<u>1,048,933</u>	<u>6,569,296</u>
<u>2023:</u>			
Direct Donor Debit Programme	<u>6,532,589</u>	<u>612,373</u>	<u>5,920,216</u>

5. Charitable activities

Incoming resources from charitable activities	<u>2024</u> \$	<u>2023</u> \$
Programme fees	1,057,647	292,039
Grants	178,931	422,749
Donations	164,884	445,698
Sale of merchandise – net	78,022	46,671
Other income	4,836	5,984
Total	<u>1,484,320</u>	<u>1,213,141</u>

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5. Charitable activities (cont'd)

Resources expended for charitable activities

	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries and related charges	4,627,193	4,250,943
Event setup cost and management fees	491,276	137,901
Depreciation of property, plant and equipment (Note 10)	401,917	237,795
Heart Support Fund disbursements	302,970	313,020
Professional fees	210,873	187,710
Repairs and maintenance	197,472	76,324
Trainers and volunteers	177,794	126,723
Heart Health Awareness Campaign	122,436	150,272
Research	118,150	275,733
Supplies and materials	105,162	67,525
Depreciation of right-of-use assets (Note 20)	96,808	96,808
Postage and courier	85,229	69,990
Printing, stationery and publications	56,675	65,261
Prizes and souvenirs	38,135	23,514
Sundry expenses	32,833	29,066
Rental of premises	29,400	28,940
Travelling and transportation	28,629	8,707
Utilities	23,836	17,133
Bank Charges	12,272	11,093
Insurance	4,739	3,365
Telecommunication	4,554	4,758
Signage and banners	2,636	550
Total	<u>7,170,989</u>	<u>6,183,131</u>

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>2024</u>	<u>2023</u>
	\$	\$
Investment expenses	394,772	379,748
Salaries and related charges	301,874	348,450
GST disallowed	241,590	152,998
Professional fees	129,318	115,144
Depreciation of right-of-use assets (Note 20)	106,916	106,618
Depreciation of property, plant and equipment (Note 10)	45,670	109,082
Audit fees to the independent auditor of the reporting entity	35,000	35,000
Sundry expenses	27,568	25,396
Insurance	21,888	9,208
Telecommunications	16,896	17,460
Utilities	14,372	14,047
Repairs and maintenance	8,867	7,456
Supplies and materials	7,355	8,541
Travelling and transportation	6,531	5,429
Printing, stationery and publications	5,808	6,291
Bank charges	4,777	9,267
Total	<u>1,369,202</u>	<u>1,350,135</u>

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7. Other income / (other expenditure)

	<u>2024</u>	<u>2023</u>
	\$	\$
Investment income	1,678,991	1,686,198
Fair value gains / (losses) on financial instruments at FVTPL, unrealised	1,459,156	(2,121,762)
Gains / (losses) on disposal of investments	116,845	(819,016)
Interest from term deposits	56,843	85,581
Gains on disposal of property, plant and equipment	1,160	4,495
Foreign exchange translation loss	(81,654)	(22,821)
Net	<u>3,231,341</u>	<u>(1,187,325)</u>
Presented in Statement of Financial Activities as:		
Other income	3,312,995	1,776,274
Other expenditure	(81,654)	(2,963,599)
Net	<u>3,231,341</u>	<u>(1,187,325)</u>

8. Tax-exempt receipts

Donors to the Foundation enjoy a concessionary tax treatment whereby qualifying donors are granted 250% tax deduction for the donations made to the Foundation. The quantum of the tax deduction is announced in the Singapore Budget yearly.

	<u>2024</u>	<u>2023</u>
	\$	\$
Tax-exempt receipts issued for donations collected	<u>8,520,324</u>	<u>7,329,564</u>

9. Employee benefits expense

	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries and related costs	4,353,491	4,037,795
Contributions to defined contribution plan	543,428	520,575
Total employee benefits expense	<u>4,896,919</u>	<u>4,558,370</u>

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10. Property, plant and equipment

	Leasehold properties	Computers	Office furniture & electrical equipment	Renovations	Exercise and medical equipment	Robots	Total
	\$	\$	\$	\$	\$	\$	\$
<u>Cost:</u>							
At 1 April 2022	5,041,600	551,214	320,330	646,090	840,688	12,300	7,412,222
Additions	-	78,319	6,675	-	8,000	-	92,994
Disposals	-	(5,749)	(7,183)	-	(15,437)	-	(28,369)
At 31 March 2023	5,041,600	623,784	319,822	646,090	833,251	12,300	7,476,847
Additions	9,296,630	140,422	-	-	64,888	-	9,501,940
Disposals	-	(58,154)	(180)	-	(21,115)	-	(79,449)
At 31 March 2024	14,338,230	706,052	319,642	646,090	877,024	12,300	16,899,338
<u>Accumulated depreciation:</u>							
At 1 April 2022	654,836	458,068	270,584	640,847	617,391	12,299	2,654,025
Depreciation for the year	76,291	128,899	24,786	2,717	114,184	-	346,877
Disposals	-	(5,745)	(7,179)	-	(15,212)	-	(28,136)
At 31 March 2023	731,127	581,222	288,191	643,564	716,363	12,299	2,972,766
Depreciation for the year	231,812	109,174	16,269	2,444	87,888	-	447,587
Disposals	-	(58,120)	(179)	-	(20,332)	-	(78,631)
At 31 March 2024	962,939	632,276	304,281	646,008	783,919	12,299	3,341,722
<u>Carrying value:</u>							
At 1 April 2022	4,386,764	93,146	49,746	5,243	223,297	1	4,758,197
At 31 March 2023	4,310,473	42,562	31,631	2,526	116,888	1	4,504,081
At 31 March 2024	13,375,291	73,776	15,361	82	93,105	1	13,557,616

SINGAPORE HEART FOUNDATION

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

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Charitable activities (Note 5)	401,917	237,795
Governance and operating costs (Note 6)	45,670	109,082
Total	<u>447,587</u>	<u>346,877</u>

There are two leasehold properties held by Perpetual (Asia) Limited as trustees of the Foundation as required by the Societies Act.

One of the properties is located at 190 Middle Road #04-34 Fortune Centre purchased in September 2013 and has a 99-year lease from 18 October 1980. The property had been used and operated as the second "Heart Wellness Centre" by the Foundation.

The purchase of another property located at 510 Thomson Road #09-00 Singapore 298135 with a 99-year lease from 12 February 1979 is completed in May 2023. The property acquisition is part of Singapore Heart Foundation's strategic plans to expand our capacity to better serve our beneficiaries and improve efficiencies. It will house larger and more conducive spaces for courses and activities to be held. More collaborative and meeting spaces are created to facilitate expanded programmes and collaborations with all relevant stakeholders. All backend functions will also shift into this facility, freeing up space at the more convenient location at Bishan to serve our patients and beneficiaries.

11. Financial assets

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance is made up of:		
<u>FVTPL</u>		
Equity instruments (quoted) (Note 11A)	17,407,179	15,524,488
Debt instruments (quoted) (Note 11B)	15,971,318	18,180,582
Unit Trusts (quoted) (Note 11C)	7,793,340	5,425,583
Sub-total	<u>41,171,837</u>	<u>39,130,653</u>
<u>FVTOCI</u>		
Debt instruments (quoted) (Note 11B)	3,943,772	3,855,450
Sub-total	<u>3,943,772</u>	<u>3,855,450</u>
Total at the end of the year	<u>45,115,609</u>	<u>42,986,103</u>

For the financial year ended 31 March 2024 and 31 March 2023, the independent fund managers and custodians are Bank of Singapore Limited and DBS Bank Ltd. Both are located in Singapore with a credit rating of Aa1. Financial assets at FVTPL are managed by the independent fund managers.

11A. Equity instruments (quoted)

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>FVTPL</u>		
<u>Movements during the year:</u>		
Fair value at the beginning of the year	15,524,488	17,700,103
Additions*	3,920,628	3,797,847
Disposals	(2,900,458)	(4,973,912)
Increase / (decrease) in FVTPL	862,521	(999,550)
Fair value at end of the year	<u>17,407,179</u>	<u>15,524,488</u>

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11. Financial assets (cont'd)

11B. Debt instruments (quoted)

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>FVTPL</u>		
<u>Movements during the year:</u>		
Fair value at the beginning of the year	18,180,582	12,841,830
Additions*	3,379,796	10,114,211
Disposals	(6,015,025)	(4,016,622)
Increase / (decrease) in FVTPL	425,965	(758,837)
Fair value at end of the year	<u>15,971,318</u>	<u>18,180,582</u>
	<u>2024</u>	<u>2023</u>
	\$	\$
<u>FVTOCI</u>		
<u>Movements during the year:</u>		
Fair value at the beginning of the year	3,855,450	-
Additions*	-	4,000,000
Increase / (decrease) in FVTOCI	88,322	(144,550)
Fair value at end of the year	<u>3,943,772</u>	<u>3,855,450</u>

11C. Unit Trusts (quoted)

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>FVTPL</u>		
<u>Movements during the year:</u>		
Fair value at the beginning of the year	5,425,583	8,411,911
Additions*	5,497,624	1,883,110
Disposals	(3,300,537)	(4,506,063)
Increase / (decrease) in FVTPL	170,670	(363,375)
Fair value at end of the year	<u>7,793,340</u>	<u>5,425,583</u>

* Additions include reinvestments made by the fund managers.

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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		%	%	\$	\$
<u>Quoted equity securities</u>					
Singapore	1	29	28	11,816,940	10,787,715
United States	1	8	6	3,416,631	2,485,699
Hong Kong	1	2	3	769,795	1,079,372
European Union	1	1	1	542,265	446,909
United Kingdom	1	-	1	78,386	238,560
Japan	1	-	-	173,518	190,715
Taiwan	1	-	-	129,712	69,840
Switzerland	1	-	-	78,801	-
Australia	1	1	1	401,131	225,678
Subtotal		<u>41</u>	<u>40</u>	<u>17,407,179</u>	<u>15,524,488</u>

SINGAPORE HEART FOUNDATION

11. Financial assets (cont'd)

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

	<u>Level</u>	<u>2024</u> %	<u>2023</u> %	<u>2024</u> \$	<u>2023</u> \$
<u>Quoted debt securities</u>					
Singapore	1	40	46	15,971,318	18,180,582
Subtotal		<u>40</u>	<u>46</u>	<u>15,971,318</u>	<u>18,180,582</u>
<u>Unit Trusts</u>					
Singapore	1	19	14	7,706,470	5,425,583
United States	1	-	-	86,870	-
Subtotal		<u>19</u>	<u>14</u>	<u>7,793,340</u>	<u>5,425,583</u>
Total		<u>100</u>	<u>100</u>	<u>41,171,837</u>	<u>39,130,653</u>

The quoted debt securities have a maturity date expiring ranging from May 2024 to October 2036 (2023: September 2023 to October 2036). The rate of interest ranges from 1.2% to 7.00% (2023: 1.20% to 7.00%) per annum.

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>2024</u> \$	<u>2023</u> \$
A hypothetical 10% increase in the fair value of quoted equity securities would increase net surplus by the following amount	1,740,718	1,552,449
A hypothetical 10% increase in the fair value of quoted debt securities would increase net surplus by the following amount	1,597,132	1,818,058
A hypothetical 10% increase in the fair value of quoted unit trust would increase net surplus by the following amount	<u>779,334</u>	<u>542,558</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).

11E. Disclosures relating to investments at FVTOCI

	<u>Level</u>	<u>2024</u> %	<u>2023</u> %	<u>2024</u> \$	<u>2023</u> \$
<u>Quoted debt securities</u>					
Singapore	1	100	100	3,943,772	3,855,450
Total		<u>100</u>	<u>100</u>	<u>3,943,772</u>	<u>3,855,450</u>

The quoted debt securities have a maturity date expiring in June 2025 (2023: June 2025). The rate of interest ranges from 2.93 % to 3.09% (2023: 2.93 % to 3.09%) per annum.

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12. Inventories

	<u>2024</u>	<u>2023</u>
	\$	\$
Merchandise held for resale	<u>16,625</u>	<u>51,760</u>

13. Trade and other receivables

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Trade receivables</u>		
Outside parties	<u>525,346</u>	<u>86,955</u>
Subtotal	<u>525,346</u>	<u>86,955</u>
<u>Other receivables</u>		
Interest receivables	151,506	230,952
Income receivable	<u>20,955</u>	<u>15,275</u>
Subtotal	<u>172,461</u>	<u>246,227</u>
Total trade and other receivables	<u>697,807</u>	<u>333,182</u>

The expected credit losses (ECL) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from the initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions.

As a charity, an assessment is made at initial recognition of the paying ability of the customers and persons it serves. A remission is made accordingly if there is no funding from the government and public authorities or if the amount is past due date. At the end of the reporting year the assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions. The allowance is based on the historical observed default rates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Amounts receivable from the government and public authorities are excluded.

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

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Trade receivables:</u>		
31 to 60 days	8,540	984
61 to 90 days	1,814	2,837
Over 90 days	<u>15,512</u>	<u>321</u>
Total	<u>25,866</u>	<u>4,142</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.

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14. Other non-financial assets

	<u>2024</u>	<u>2023</u>
	\$	\$
Deposits to secure services	77,464	73,289
Prepayments	227,761	183,013
Deposit to purchase property (a)	-	1,168,630
Contract assets (b)	297,939	-
	<u>603,164</u>	<u>1,424,932</u>
Presented in the statement of financial position as follow:		
Current	603,164	256,302
Non-current	-	1,168,630
	<u>603,164</u>	<u>1,424,932</u>

- (a) The purchase had since been completed during the reporting year.
- (b) The contract assets relate to the Foundation's rights to consideration for Registry of Automatic External Defibrillator Integration ("Save-A-Life Initiative") which was completed but not due for billing per contract as at the reporting date. The contract assets will be transferred to receivables when the rights become unconditional.

15. Cash and cash equivalents

	<u>2024</u>	<u>2023</u>
	\$	\$
Cash and bank balances (a)	2,991,027	3,355,133
Fixed deposits with financial institutions	2,286,090	8,305,355
	<u>5,277,117</u>	<u>11,660,488</u>

The fixed deposits earn interest at rates ranging from 1.6% to 3.65% (2023: 0.2% to 3.8%) per annum.

- (a) Included in cash and bank balance is an amount of \$1,511,860 (2023: \$2,194,460) held by fund managers of two banks.

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16. Fund account transactions and balances

	General Fund \$ (i)	Infrastructure Development Fund \$ (iii)	Care & Share Matching Grant \$ (v)	Edwards Lifesciences Foundation \$ (vi)	Heart Wellness Centre \$ (vii)	AEDS in Bukit Gombak \$ (viii)	Pfizer Education and Research Fund \$ (ix)	Philip Foundation \$ (x)	Total \$
2024:									
Incoming Resources:									
Fund-raising activities	8,954,642	-	-	-	-	-	-	-	8,954,642
Charitable activities	1,367,355	-	-	116,965	-	-	-	-	1,484,320
Governance and operating activities	146,111	-	-	-	-	-	-	-	146,111
Other income	3,312,995	-	-	-	-	-	-	-	3,312,995
Total incoming resources	13,781,103	-	-	116,965	-	-	-	-	13,898,068
Resources Expended:									
Fund-raising activities	1,376,390	-	-	-	-	-	-	-	1,376,390
Charitable activities	6,703,392	272,773	41,632	117,013	5,008	15,881	-	15,290	7,170,989
Governance and operating costs	1,355,672	13,340	190	-	-	-	-	-	1,369,202
Other expenditure	81,654	-	-	-	-	-	-	-	81,654
Total resources expended	9,517,108	286,113	41,822	117,013	5,008	15,881	-	15,290	9,998,235
Surplus / (deficit) for the year	4,263,995	(286,113)	(41,822)	(48)	(5,008)	(15,881)	-	(15,290)	3,899,833
2023:									
Incoming Resources:									
Fund-raising activities	7,281,965	-	-	-	-	-	-	-	7,286,583
Charitable activities	837,993	-	4,618	119,321	-	-	-	-	1,213,141
Governance and operating activities	127,768	-	21,848	-	-	-	-	-	149,616
Other income	1,776,274	-	-	-	-	-	-	-	1,776,274
Total incoming resources	10,024,000	-	282,293	119,321	-	-	-	-	10,425,614
Resources Expended:									
Fund-raising activities	925,973	-	-	-	-	-	-	-	925,973
Charitable activities	5,952,127	-	77,473	124,511	10,007	-	9,303	9,710	6,183,131
Governance and operating costs	1,347,730	-	2,405	-	-	-	-	-	1,350,135
Other expenditure	2,963,599	-	-	-	-	-	-	-	2,963,599
Total resources expended	11,189,429	-	79,878	124,511	10,007	-	9,303	9,710	11,422,838
(Deficit) / surplus for the year	(1,165,429)	-	202,415	(5,190)	(10,007)	-	(9,303)	(9,710)	(997,224)

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

		<u>2024</u>	<u>2023</u>
		\$	\$
<u>Unrestricted funds</u>			
General Fund	(i)	48,703,216	44,439,221
Other Reserves	(ii)	(56,228)	(144,550)
Infrastructure Development Fund	(iii)	14,713,887	15,000,000
Sub-total		<u>63,360,875</u>	<u>59,294,671</u>
<u>Restricted funds</u>			
Asia-Pacific Heart Network Fund	(iv)	10,543	10,543
Care & Share Matching Grant	(v)	24,482	66,304
Edwards Lifesciences Foundation	(vi)	105,776	105,824
Heart Wellness Centre	(vii)	-	5,008
AEDS in Bukit Gombak	(viii)	5,218	21,099
Philips Foundation	(ix)	-	15,290
Sub-total		<u>146,019</u>	<u>224,068</u>
Total		<u>63,506,894</u>	<u>59,518,739</u>

- i) General fund – this represents cumulative surpluses available for general use for the furtherance of the Foundation's objectives.
- ii) Other reserves – The gain or loss on re-measuring investments in debt securities at FVTOCI to fair value presented in OCI includes any related foreign exchange component arising on non-monetary investments (e.g. debt instruments). On disposal, the cumulative fair value changes are not recycled to statement of financial activities but remain in reserves within the funds.
- iii) 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.
- iv) 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 2023 Congress. Currently, Singapore Heart Foundation has been utilizing this fund for the above purposes. Any remaining fund balance will be used to defray future APHN events.

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

- v) 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 Care and Share matching grant utilization deadline is set by the Ministry of Social and Family Development till 31 March 2022. The fund has been fully utilized as of 31 March 2022 and the amount remaining as of year-end pertains to the net book value of the property, plant and equipment. This grant is capped at \$2,900,000 for the Foundation. As of 31 March 2023, the Foundation had received the full grant.
- vi) 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.
- vii) 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 30 September 2023.
- viii) 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. In addition to AED installations, part of the fund was utilized to purchase and replace the expired AED pads for the condominiums in Bukit Gombak. Currently, Singapore Heart Foundation has been utilizing this fund for the above purposes. This project was completed at end April 2024.
- ix) Philips Foundation – This grant was given by Philips Foundation to help defray the expenses incurred by Singapore Heart Foundation for improving the accessibility of AEDs, operations of the Heart Wellness Centre and community outreach programmes. The project was completed on 14 April 2023.

Majority of the assets and liabilities are attributable to the General Fund. All the assets of other funds are represented largely by cash, financial assets and other non-financial assets balances. Accordingly, the Foundation did not adopt a columnar presentation of its assets, liabilities, and funds in the Statement of Financial Position as it was not meaningful.

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17. Provisions

	<u>2024</u>	<u>2023</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>2024</u>	<u>2023</u>
	\$	\$
Trade and other payables	408,749	231,285
Accrued liabilities	1,065,856	939,274
Total	<u>1,474,605</u>	<u>1,170,559</u>

19. Other non-financial liabilities

	<u>2024</u>	<u>2023</u>
	\$	\$
Advance payments	<u>145,634</u>	<u>123,607</u>

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

20. Right-of-use assets and lease liabilities

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 2022	42,291	866,742	193,311	1,102,344
Remeasurement	-	-	(53,876)	(53,876)
At 31 March 2023 and 31 March 2024	<u>42,291</u>	<u>866,742</u>	<u>139,435</u>	<u>1,048,468</u>
<u>Accumulated depreciation:</u>				
At 1 April 2022	(3,524)	(397,850)	(112,694)	(514,068)
Depreciation for the year	(8,458)	(155,974)	(38,994)	(203,426)
Written off	-	-	54,819	54,819
At 31 March 2023	(11,982)	(553,824)	(96,869)	(662,675)
Depreciation for the year	(8,458)	(155,974)	(39,292)	(203,724)
At 31 March 2024	<u>(20,440)</u>	<u>(709,798)</u>	<u>(136,161)</u>	<u>(866,399)</u>
<u>Carrying value:</u>				
At 1 April 2022	<u>38,767</u>	<u>468,892</u>	<u>80,617</u>	<u>588,276</u>
At 31 March 2023	<u>30,309</u>	<u>312,918</u>	<u>42,566</u>	<u>385,793</u>
At 31 March 2024	<u>21,851</u>	<u>156,944</u>	<u>3,274</u>	<u>182,069</u>

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20. Right-of-use assets and lease liabilities (cont'd)

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Charitable activities (Note 5)	96,808	96,808
Governance and operating costs (Note 6)	106,916	106,618
Total	<u>203,724</u>	<u>203,426</u>

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Lease liabilities, current	156,305	210,560
Lease liabilities, non-current	36,569	192,874
	<u>192,874</u>	<u>403,434</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.

The incremental borrowing rates applied to lease liabilities recognised are between from 2.5% to 2.8% (2023: 2.5% to 2.8%) per annum.

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. Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default. The related right-of-use-assets are disclosed above.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

At reporting year date there were no commitments on leases which had not yet commenced.

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Expense relating to leases of low-value assets included in resources expended	<u>29,400</u>	<u>28,940</u>

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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>2024</u>	<u>2023</u>
	\$	\$
Commitments to purchase of property, plant and equipment	<u>46,125</u>	<u>8,120,100</u>

22. Reserves policy

The primary purpose of the Foundation's reserves policy is to ensure the long-term sustainability and its ability in meeting its mission. The objective of the policy is to maintain sufficient fund to support its operations and potential initiatives that align with the vision and mission of the Foundation.

The Foundation targets to maintain a sufficient level of accumulated unrestricted funds to ensure its long-term financial sustainability. 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 and other explanatory information

23A. Categories of financial assets and financial liabilities

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

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	5,974,924	11,993,670
Financial assets at FVTPL	41,171,837	39,130,653
Financial assets at FVTOCI	<u>3,943,772</u>	<u>3,855,450</u>
At the end of the year	<u>51,090,533</u>	<u>54,979,773</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>1,667,479</u>	<u>1,573,993</u>
At the end of the year	<u>1,667,479</u>	<u>1,573,993</u>

Further quantitative disclosures are included throughout these financial statements.

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

23B. Financial risk management

The main purpose for holding 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. Management has certain written policies and procedures for the management of financial risks.

There are written policies and procedures for effectively supervising, monitoring and evaluating the investment assets. The governing board members hold all the funds as a fiduciary and have delegated authority over its investment affairs to the investment committee (the committee) of the Foundation. The committee advises the board on the implications of changes to its investment policy, helps it operate within the policies and procedures, and advises on relevant matters. The committee is further authorised to delegate certain responsibilities to professional experts. These include independent investment managers and independent custodian. The independent investment managers have discretion to purchase, sell, or hold the specific financial instruments to meet the policy's investment objectives and to make use of derivatives. The independent custodian is responsible for the custody of the financial instruments, collection of the returns; redeem maturing securities, and effect receipt and delivery following purchases and sales.

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 material 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. 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 subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (ECL) allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any 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 cash balances. There was no identified impairment loss.

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23. Financial instruments: information on financial risks and other explanatory information (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 (2023: 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):

	Less than 1 year	1 – 3 years	3 – 5 years	Total
	\$	\$	\$	\$
Non-derivative financial liabilities:				
<u>2024:</u>				
Gross lease liabilities	158,884	36,856	–	195,740
Trade and other payables	1,474,605	–	–	1,474,605
At end of the year	<u>1,633,489</u>	<u>36,856</u>	<u>–</u>	<u>1,670,345</u>
<u>2023:</u>				
Gross lease liabilities	217,856	190,497	5,243	413,596
Trade and other payables	1,170,559	–	–	1,170,559
At end of the year	<u>1,388,415</u>	<u>190,497</u>	<u>5,243</u>	<u>1,584,155</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>2024</u>	<u>2023</u>
	\$	\$
Financial assets:		
Fixed rates	21,710,230	29,908,187
Floating rates	490,950	433,200
	<u>22,201,180</u>	<u>30,341,387</u>

Sensitivity analysis: The floating rate debt assets are with interest rates that are re-set regular intervals. The effect on pre-tax profit is not material.

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

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>Pound</u>	<u>Euro</u>	<u>USD</u>	<u>HKD</u>	<u>AUD</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>2024:</u>						
<u>Financial assets:</u>						
Cash and cash equivalent	13,294	–	2,596	1,213	1,626	18,729
Financial assets – FVTPL	78,386	542,265	3,503,501	769,795	401,131	5,295,078
Net financial assets	<u>91,680</u>	<u>542,265</u>	<u>3,506,097</u>	<u>771,008</u>	<u>402,757</u>	<u>5,313,807</u>
	<u>Pound</u>	<u>Euro</u>	<u>USD</u>	<u>HKD</u>	<u>AUD</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>2023:</u>						
<u>Financial assets:</u>						
Cash and cash equivalent	1,936	720	(27,448)	1,125	1,576	(22,091)
Financial assets – FVTPL	238,560	446,909	2,485,699	1,079,372	225,678	4,476,218
Net financial assets	<u>240,496</u>	<u>447,629</u>	<u>2,458,251</u>	<u>1,080,497</u>	<u>227,254</u>	<u>4,454,127</u>

Sensitivity analysis:

	<u>2024</u>	<u>2023</u>
	\$	\$
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against all non-functional currencies with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of the following amounts:		
Against Pound	(9,168)	(24,050)
Against Euro	(54,227)	(44,763)
Against USD	(350,610)	(245,825)
Against HKD	(77,101)	(108,050)
Against AUD	<u>(40,276)</u>	<u>(22,725)</u>

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.

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24. Events after the end of the reporting year

Subsequent to the end of the reporting year, the Foundation committed a capital expenditure of \$1,724,217 for renovation works at its main office at 510 Thomson Road #09-00 Singapore 298135 and Heart Wellness Centre at 9 Bishan Place #07-01 Junction 8 (Office Tower) Singapore 579837.

25. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued amendment to FRS 1 and Practice Statement 2 on disclosures of material accounting policy and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. None had material impact to the Foundation.

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

For the future reporting years the ASC issued certain new or revised financial reporting standards. None is expected to have material impact on the reporting entity based on its current operations.