



FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

(Registered in Singapore under the Companies Act, Chapter 50 and the Charities Act, Chapter 37)
(Unique Entity No: 199300813R)

Statement by the Board of Directors and Financial Statements

Reporting Year Ended 30 June 2021

RSM Chio Lim LLP

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

T +65 6533 7600

Audit@RSMSingapore.sg
www.RSMSingapore.sg

UEN: T09LL0008J

RSM Chio Lim LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Business Advisors to Growing Businesses



FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement by the Board of Directors and Financial Statements

Contents	Page
Statement by the Board of Directors	1
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position.....	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement by the Board of Directors

The directors of the Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation") are pleased to present the audited financial statements of the Foundation for the reporting year ended 30 June 2021.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position, financial activities and cash flow of the Foundation for the reporting year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board approved and authorised these financial statements for issue.

2. Directors

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

Cheong Kok Cheong
Chew Ghim Bok
Chew Tee Khiang
Gong Ing San
Grafe, Heinrich
Ng Hung Koon
See Mee Lee (appointed on 23 July 2021)
Tan Kok Hiang
Troy Hembow Engle
Wong Kwai Wah
Yeo Chuen Eng

3. Directors' interest in shares and debentures, and arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

The Foundation is a company limited by guarantee and has no share and debentures.

4. Options

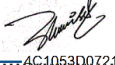
The Foundation is a company limited by guarantee. As such, there are no share options or unissued shares under option.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD


5. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the directors

DocuSigned by:

.....AC1053D0721441B.....
Chew Ghim Bok
Vice Chairman

22 October 2021

DocuSigned by:

.....3A824C4AEFE5408.....
See Mee Lee
Honorary Treasurer

RSM Chio Lim LLP

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

T +65 6533 7600

Audit@RSMSingapore.sg
www.RSMSingapore.sg

**Independent Auditor's Report to the Members of
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation"), which comprise the statement of financial position as at 30 June 2021, and the statement of financial activities and the statement of cash flows for the reporting year then ended, and notes to the financial statement, including the significant accounting policies.

In our opinion, the accompanying financial statements of the Foundation are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the Foundation as at 30 June 2021 and of the financial activities and cash flows of the Foundation for the reporting 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 statement by the directors and the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

**Independent Auditor's Report to the Members of
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

Those charged with governance are the directors and they 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
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**

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

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

- (a) the Foundation has not used the donation 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.

The engagement partner on the audit resulting in this independent auditor's report is Tan Wei Ling.

RSM CHIO LIM LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

22 October 2021

Engagement partner – effective from reporting year ended 30 June 2020

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

**Statement of Financial Activities
For the Reporting Year Ended 30 June 2021**

	Unrestricted					Restricted					
	Accumulated Fund	Rotary Eldercare and Caregivers Fund	FRCS Learning Centre Fund	General Fund	Sub Total	Rotary House Project Fund	FRCS Family Service Centre Maintenance Fund	MSF – Cyclical Maintenance Fund	Furniture and Equipment Fund	Programme Funds (Note 15A)	Sub Total
Notes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2021											
Incoming Resources:											
Donations	4	–	29,135	6	9,921	25,195	100	–	–	431,889	457,184
Government grants - MSF	5	–	–	–	–	–	2,079,872	64,585	34,682	105,868	2,285,007
Other grants	6	37,984	320,348	54,817	137,292	–	930,283	–	–	134,575	1,615,299
Income from programmes		–	–	72,320	–	–	7,495	–	–	–	7,495
Other miscellaneous income	7	110,551	5,955	–	–	33	4,529	–	–	–	121,068
Total incoming resources		148,535	355,438	127,143	147,213	25,228	3,022,279	64,585	34,682	672,332	4,597,435
Resources Expended:											
Employee benefits expense	8	35,035	35,035	153,390	–	35,035	1,892,148	–	–	5,453	1,932,636
Programme expenses		29,429	–	–	–	4,971	34,562	–	–	107,550	147,083
Rental expenses		206	35,724	1,269	–	–	–	–	–	–	37,199
Maintenance expenses		3,229	–	–	–	41,593	90,042	–	–	–	134,864
Professional fees		5,439	5,439	7,823	–	5,439	26,750	–	–	–	50,890
Interest on lease liabilities		–	–	–	–	–	822	–	–	–	822
Other operating costs		–	23,123	35,074	–	929	72,866	–	–	–	73,795
Depreciation of property, plant and equipment	9	44,977	–	2,928	–	91,583	40,076	44,602	6,070	–	182,331
Depreciation of right-of-use assets	10	–	–	–	–	–	–	–	–	–	–
Total resources expended		118,315	99,321	200,484	–	179,550	2,187,696	44,602	6,070	113,003	2,530,921
Net surplus / (deficit)		30,220	256,117	(73,341)	147,213	(154,322)	834,583	19,983	28,612	559,329	1,288,185
Balance at 1 July 2020		322,955	–	(3,079)	70,219	4,227,704	3,012,170	378,475	–	906,297	8,524,646
Fund transfer		(103,443)	–	76,420	(76,230)	82,962	20,481	–	–	(190)	103,253
Balance as at 30 June 2021		249,732	256,117	–	141,202	4,156,344	3,867,234	398,458	28,612	1,465,436	9,916,084

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

**Statement of Financial Activities
For the Reporting Year Ended 30 June 2021**

	Unrestricted				Restricted				Total		
	Notes	Rotary Eldercare and Caregivers Fund	FRCS Learning Centre Fund	General Fund	Sub Total	Rotary House Project Fund	FRCS Family Service Centre Fund	MSF – Cyclical Maintenance Fund		Programme Funds (Note 16A)	Sub Total
2020											
Incoming Resources:											
Donations	4	129,617	52,480	102,168	52,204	336,469	–	5,620	–	288,573	294,193
Government grants - MSF	5	–	–	–	–	–	–	1,872,132	219,530	31,692	2,123,354
Other grants	6	17,463	–	15,326	18,015	50,804	–	806,667	–	62,085	868,752
Income from programmes		–	–	49,461	–	49,461	–	6,591	–	–	6,591
Other miscellaneous income	7	38,721	5,954	–	–	44,675	–	13,089	–	2,226	37,665
Total incoming resources		185,801	58,434	166,955	70,219	481,409	–	2,704,099	219,530	384,576	3,330,555
Resources Expended:											
Employee benefits expense	8	19,302	19,302	107,140	–	145,744	–	1,809,621	–	–	1,828,923
Programme expenses		–	–	11,416	–	11,416	–	36,836	–	142,709	179,545
Rental expenses		17,408	24,665	17,007	–	59,080	–	7,290	–	–	7,290
Maintenance expenses		383	–	–	–	383	–	63,887	–	–	109,623
Professional fees		38,747	6,919	4,800	–	50,466	–	20,541	–	–	27,460
Interest on lease liabilities		–	–	–	–	–	–	489	–	–	489
Other operating costs		89,347	7,548	25,127	–	122,022	–	82,152	–	–	101,677
Depreciation of property, plant and equipment	9	18,314	–	1,966	–	20,280	–	54,338	30,396	–	176,317
Depreciation of right-of-use assets	10	–	–	–	–	–	–	14,075	–	–	14,075
Total resources expended		183,501	58,434	167,456	–	409,391	–	2,089,229	30,396	142,709	2,445,399
Net surplus / (deficit)		2,300	–	(501)	70,219	72,018	(160,715)	614,870	189,134	241,867	885,156
Balance at 1 July 2019		414,593	–	(2,578)	–	412,015	4,319,287	2,372,494	189,341	664,430	7,545,552
Fund transfer		(93,938)	–	–	–	(93,938)	69,132	24,806	–	–	93,938
Balance as at 30 June 2020		322,955	–	(3,079)	70,219	390,095	4,227,704	3,012,170	378,475	906,297	8,524,646

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

**Statement of Financial Position
As at 30 June 2021**

	<u>Notes</u>	<u>2021</u> \$	<u>2020</u> \$
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	9	5,280,539	5,200,471
Right-of-use assets	10	51,074	57,797
Total non-current assets		<u>5,331,613</u>	<u>5,258,268</u>
<u>Current assets</u>			
Other receivables	11	214,472	180,568
Other non-financial assets	12	31,073	63,773
Cash and cash equivalents	13	5,516,107	3,946,772
Total current assets		<u>5,761,652</u>	<u>4,191,113</u>
Total assets		<u>11,093,265</u>	<u>9,449,381</u>
FUNDS AND LIABILITIES			
<u>Unrestricted funds</u>			
Accumulated fund	14	249,732	322,955
Rotary Eldercare and Caregivers Fund	15	256,117	–
FRCS Learning Centre Fund	15	–	(3,079)
General Fund	15	141,202	70,219
Total unrestricted funds		<u>647,051</u>	<u>390,095</u>
<u>Restricted funds</u>			
Rotary House Project Fund	15	4,156,344	4,227,704
FRCS Family Service Centre Fund	15	3,867,234	3,012,170
MSF – Cyclical Maintenance Fund	15	398,458	378,475
Furniture and Equipment Fund	15	28,612	–
Programme funds	15A	1,465,436	906,297
Total restricted funds		<u>9,916,084</u>	<u>8,524,646</u>
Total funds	16	<u>10,563,135</u>	<u>8,914,741</u>
<u>Non-current liabilities</u>			
Lease liabilities, non-current	17	23,435	28,887
Other financial liabilities	18	50,000	50,000
Total non-current liabilities		<u>73,435</u>	<u>78,887</u>
<u>Current liabilities</u>			
Lease liabilities, current	17	28,021	29,120
Other payables	19	426,010	301,817
Other non-financial liabilities	20	2,664	124,816
Total current liabilities		<u>456,695</u>	<u>455,753</u>
Total liabilities		<u>530,130</u>	<u>534,640</u>
Total funds and liabilities		<u>11,093,265</u>	<u>9,449,381</u>

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

**Statement of Cash Flows
For the Reporting Year Ended 30 June 2021**

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Net surplus for the year	1,648,394	957,174
Adjustments for:		
Depreciation of property, plant and equipment	230,236	196,597
Depreciation of right-of-use assets	30,430	14,075
Interest income	(6,548)	(21,916)
Interest expense on lease liabilities	822	489
Operating cash flow before changes in working capital	<u>1,903,334</u>	<u>1,146,419</u>
Other receivables	(33,904)	264,672
Other non-financial assets	32,700	(23,677)
Other payables	124,193	(146,514)
Other non-financial liabilities	(122,152)	124,816
Cash restricted in use	<u>(1,616,016)</u>	<u>(1,352,313)</u>
Net cash flows from operating activities	<u>288,155</u>	<u>13,403</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(310,304)	(269,284)
Interest income received	<u>6,548</u>	<u>21,916</u>
Net cash flows used in investing activities	<u>(303,756)</u>	<u>(247,368)</u>
<u>Cash flows from financing activities</u>		
Lease liabilities – principal portion paid	(30,258)	(13,865)
Interest expense paid	<u>(822)</u>	<u>(489)</u>
Net cash flows used in financing activities	<u>(31,080)</u>	<u>(14,354)</u>
Net decrease in cash and cash equivalents	(46,681)	(248,319)
Cash and cash equivalents, beginning balance	<u>63,822</u>	<u>312,141</u>
Cash and cash equivalents, ending balance (Note 13A)	<u>17,141</u>	<u>63,822</u>

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Notes to the Financial Statements 30 June 2021

1. General

Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation") is a company limited by guarantee incorporated in Singapore under the Companies Act, Chapter 50. The Foundation is also a registered charity under the Charities Act, Chapter 37 and is an approved Institution of Public Character under the Singapore Income Tax Act, Chapter 134. The financial statements are presented in Singapore Dollar.

These financial statements are authorised for issuance by the directors on the date of the statement by the directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Foundation are that of a voluntary welfare organisation. The principal activities are carried out by the following units:

- (a) Foundation of Rotary Clubs (Singapore) Ltd ("FRCS")
Provides services that alleviate poverty and suffering, promotes physical and mental well-being and which create environments for personal and societal improvement.
- (b) Foundation of Rotary Clubs Singapore Family Service Centre ("FRCS FSC")
Provides family oriented programmes which are responsive to the changing needs of the community.

The financial statements combine the state of affairs and the results of FRCS and FRCS FSC.

Each member of the Foundation has undertaken to contribute such amounts not exceeding \$50 to the assets of the Foundation in the event the Foundation is wound up and the monies are required for payment of the liabilities of the Foundation. The memorandum and articles of the Foundation restricts the use of fund monies to the furtherance of the objects of the Foundation. They prohibit the payment of dividends to members.

The Foundation has 23 (2020: 23) members represented by Rotary Clubs in Singapore at the end of the reporting year.

The registered office address of the Foundation is located at 111 North Bridge Road #06-33, Peninsula Plaza, Singapore 179098. The Foundation is situated in Singapore.

Uncertainties relating to the Covid-19 pandemic:

Management has reviewed the estimated potential impact and plausible downside scenarios, along with its responses as a result of the Covid-19 pandemic. No material uncertainties were identified in connection with the Foundation's ability to continue in operational existence for the foreseeable future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRS") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

1. General (cont'd)

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 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.

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 Foundation'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 in Note 2C below, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Incoming resources

(a) Income from programmes

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 Foundation 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 right of return exists and 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.

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Foundation and it is shown net of related tax and subsidies.

Income from programmes that are of short duration is recognised at a point in time when the services are completed.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

2A. Significant accounting policies (cont'd)

Incoming resources (cont'd)

(b) Grants

Grants to cover a particular expenditure or programme are accounted for as incoming resources upon receipt of notification of the grant award, which normally coincides with the year when the related expenses, for which the grant is intended to cover, are incurred. 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 and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate.

Under the conditions of the grants received, over or under funding from National Council of Social Services ("NCSS"), Tote Board, Ministry of Social and Family Development ("MSF"), Ministry of Culture, Community and Youth ("MCCY") and Ministry of Education ("MOE") are refundable to these entities.

(c) Donations

Income from donation and corporate sponsorships are recognised at a point in time when received, except for committed donations and corporate sponsorship that are recorded when there is certainty over the amount committed by the donors, and the Foundation had fulfilled all conditions related to the donations and sponsorships. Such income is only deferred and recognised over time when: the donor specifies that the grant or donation must only be used in future accounting periods; or donor has imposed conditions when must be met before the Foundation has unconditional entitlement.

(d) Income from fund-raising projects

Income from special fund-raising events is recognised when the event takes place.

(e) Interest income

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

(f) Rental income

Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

Donations in kind

Donations in kind are included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Foundation'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 Foundation is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the Foundation 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. The presentation is in the functional currency.

Income tax

As a charity, the Foundation is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have been imposed on the Foundation during the reporting year.

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.

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 management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the foundation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of financial activities when they are incurred.

Depreciation is provided on a straight-line basis 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 properties	-	2%
Renovations	-	10%
Plant and equipment	-	20% to 33%

Construction-in-progress is not depreciated.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

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 residual value and the useful life of an asset is 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.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in statement of financial activities.

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 are as follows:

Office premise	-	Over the terms of lease that are 14.40%
Equipment	-	10% to 50%

Leases of lessee

A lease 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 right-of-use asset 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. An interest expense is recognised on the 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.

Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

2A. Significant accounting policies (cont'd)

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 statement of financial activities to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in statement of financial activities. 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 each end of the reporting year non-financial assets 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 depreciation, if no impairment loss had been recognised.

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 Foundation 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. 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. 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 Foundation 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.

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.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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 assets (cont'd):

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 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.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

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, and on demand deposits. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.

Fair value 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 Foundation'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.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

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

2B. Other explanatory information

Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the Management Committee. 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 the directors 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 expense if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

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 statement of financial activities in the reporting year they occur.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

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 directors and key management of FRCS, FRCS Learning Centre, FRCS Eldercare and Caregivers Centre and the FRCS FSC. 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.

All members of the Board 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, relationships and holding that could potentially result in 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.

3A. Related parties transactions

There are transactions and arrangements between the Foundation and its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Members of Foundation consist of a total of 23 (2020: 23) Rotary Clubs in Singapore. No individual member has significant influence on the Foundation.

3B. Key management compensation

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and other short-term employee benefits	<u>202,888</u>	<u>172,347</u>

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly. The above amount for key management compensation is for the general manager of the Foundation and executive director of the FRCS FSC.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

3B. Key management compensation (cont'd)

The directors of the Foundation 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 FRCS and the FRCS FSC, and whose remuneration each exceeds \$50,000 during the reporting year.

4. Tax deductible receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Foundation. The Institutions of Public Character ("IPC") status for general donations made to the general funds of the Foundation was renewed for the period from 1 August 2019 to 31 July 2022.

	<u>2021</u> \$	<u>2020</u> \$
Tax-exempt receipts issued for donations collected	<u>290,745</u>	<u>380,641</u>

5. Government grants – MSF

The grants are from the Ministry of Social and Family Development ("MSF").

6. Other grants

	<u>2021</u> \$	<u>2020</u> \$
NCSS: Community Chest	110,377	99,224
NCSS: Tote Board Social Service Fund	551,886	496,113
NCSS: The Invictus Fund	50,000	–
Jobs Support Scheme ^(a)	225,282	169,770
Bicentennial Community Fund	400,000	–
Other miscellaneous grants	<u>277,754</u>	<u>154,449</u>
	<u>1,615,299</u>	<u>919,556</u>

^(a) The purpose of the Jobs Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for 17 months from April 2020 to August 2021.

7. Other miscellaneous income

	<u>2021</u> \$	<u>2020</u> \$
Interest income – Bank	6,548	21,916
Rental income	6,125	22,350
Other income	<u>108,395</u>	<u>38,074</u>
	<u>121,068</u>	<u>82,340</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

8. Employee benefits expense

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and other short-term employee benefits	1,796,194	1,632,768
Contributions to defined contribution plan	272,727	246,714
Other benefits	87,175	95,185
Total employee benefits expense	<u>2,156,096</u>	<u>1,974,667</u>

9. Property, plant and equipment

	<u>Leasehold</u> <u>properties</u>	<u>Renovations</u>	<u>Plant and</u> <u>equipment</u>	<u>Construction-</u> <u>in-progress</u>	<u>Total</u>
	\$	\$	\$	\$	\$
<u>Cost:</u>					
At 1 July 2019	4,579,142	601,396	165,747	192,208	5,538,493
Additions	–	178,623	90,661	–	269,284
Transfers	–	192,208	–	(192,208)	–
At 30 June 2020	<u>4,579,142</u>	<u>972,227</u>	<u>256,408</u>	<u>–</u>	<u>5,807,777</u>
Additions	–	66,417	15,624	228,263	310,304
At 30 June 2021	<u>4,579,142</u>	<u>1,038,644</u>	<u>272,032</u>	<u>228,263</u>	<u>6,118,081</u>
<u>Accumulated depreciation:</u>					
At 1 July 2019	305,277	16,728	88,704	–	410,709
Depreciation for the year	91,583	72,501	32,513	–	196,597
At 30 June 2020	<u>396,860</u>	<u>89,229</u>	<u>121,217</u>	<u>–</u>	<u>607,306</u>
Depreciation for the year	91,583	101,097	37,556	–	230,236
At 30 June 2021	<u>488,443</u>	<u>190,326</u>	<u>158,773</u>	<u>–</u>	<u>837,542</u>
<u>Carrying value:</u>					
At 1 July 2019	<u>4,273,865</u>	<u>584,668</u>	<u>77,043</u>	<u>192,208</u>	<u>5,127,784</u>
At 30 June 2020	<u>4,182,282</u>	<u>882,998</u>	<u>135,191</u>	<u>–</u>	<u>5,200,471</u>
At 30 June 2021	<u>4,090,699</u>	<u>848,318</u>	<u>113,259</u>	<u>228,263</u>	<u>5,280,539</u>

	<u>2021</u>	<u>2020</u>
	\$	\$
Depreciation expense charged to:		
Accumulated Fund	44,977	18,314
FRCS Learning Centre Fund	2,928	1,966
Rotary House Project Fund	91,583	91,583
FRCS Family Service Centre Fund	40,076	54,338
MSF – Cyclical Maintenance Fund	44,602	30,396
Furniture and Equipment Fund	6,070	–
	<u>230,236</u>	<u>196,597</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

10. Right-of-use assets

	<u>Office premise</u> \$	<u>Equipment</u> \$	<u>Total</u> \$
At 1 July 2019	–	12,088	12,088
Additions	50,865	8,919	59,784
At 30 June 2020	50,865	21,007	71,872
Additions	–	23,707	23,707
Disposals	–	(12,088)	(12,088)
At 30 June 2021	50,865	32,626	83,491
<u>Accumulated depreciation:</u>			
At 1 July 2019	–	–	–
Depreciation for the year	7,139	6,936	14,075
At 30 June 2020	7,139	6,936	14,075
Depreciation for the year	21,417	9,013	30,430
Disposals	–	(12,088)	(12,088)
At 30 June 2021	28,556	3,861	32,417
<u>Carrying value:</u>			
At 1 July 2019	–	12,088	12,088
At 30 June 2020	43,726	14,071	57,797
At 30 June 2021	22,309	28,765	51,074

For the underlying assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter.

The depreciation expense is charged to Restricted Fund – FRCS Family Service Centre fund.

11. Other receivables

	<u>2021</u> \$	<u>2020</u> \$
Outside parties	59,496	62,205
Grant receivables	154,976	97,862
GST receivables	–	20,501
	<u>214,472</u>	<u>180,568</u>

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

Other receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period, a loss allowance is assessed at an amount equal to 12 month expected credit losses.

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. No loss allowance is necessary as at the end of the reporting year.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

12. Other non-financial assets

	<u>2021</u>	<u>2020</u>
	\$	\$
Deposits to secure services	8,455	29,683
Prepayments	22,618	34,090
	<u>31,073</u>	<u>63,773</u>

13. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash in hand	2,747	1,176
Cash at banks	4,943,550	2,379,362
Fixed deposits	569,810	1,566,234
	<u>5,516,107</u>	<u>3,946,772</u>
Represented by:		
Not restricted in use	17,141	63,822
Cash under unrestricted designated fund	364,190	144,247
Cash under restricted funds		
- FRCS Family Services Centre Fund	3,797,703	2,815,095
- Programme / project funds	1,337,073	923,608
	<u>5,516,107</u>	<u>3,946,772</u>

The rate of interest for the cash on interest earning balances of \$569,810 (2020: \$1,566,234) is between 0.24% and 0.40% (2020: 0.27% and 1.35%) per annum at the end of the reporting year.

13A. Cash and cash equivalents in the statement of cash flows

	<u>2021</u>	<u>2020</u>
	\$	\$
Amount as shown above	5,516,107	3,946,772
Cash under unrestricted designated fund	(364,190)	(144,247)
Cash under restricted funds	(5,134,776)	(3,738,703)
Cash and cash equivalents for statement of cash flows purposes at end of year	<u>17,141</u>	<u>63,822</u>

14. Accumulated fund

	<u>2021</u>	<u>2020</u>
	\$	\$
Unrestricted accumulated fund	<u>249,732</u>	<u>322,955</u>
Resources expended under accumulated fund	118,315	183,501
Ratio of reserves on unrestricted accumulated fund to unrestricted annual resources expended (times)	<u>2.11</u>	<u>1.76</u>

The accumulated fund aims to provide financial stability and means for the development of the Foundation's activities. The Foundation intends to maintain the funds at a level sufficient for its operating needs. The directors reviews the level of funds regularly for the Foundation's continuing obligations.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds

Unrestricted funds

- (a) FRCS Learning Centre Fund represents accumulated fund for the Institute's day to day operations.
- (b) Rotary Eldercare and Caregivers Fund represents accumulated fund for the Eldercare Centre's day to day operations.
- (c) General fund amounting to \$141,202 (2020: \$70,219) represents designated fund for those programme / projects funds usage in future. As at reporting year ended 30 June 2021, the General fund has been allocated into three proportions \$87,516, \$18,489 and \$35,197 (2020: \$26,178, \$33,570 and \$10,471) for use in the following 3 broad categories namely (i) Youth at Risk (ii) Education and (iii) Community / Terminally Ill / Health / Others respectively.

Restricted funds

- (a) Rotary House Project Fund represents accumulated fund which ring-fenced for the exclusive use of Rotary House.
- (b) FRCS Family Service Centre Fund represents accumulated fund which ring-fenced for the exclusive use of FRCS FSC.
- (c) Ministry of Social and Family Development ("MSF") – Cyclical Maintenance Fund represents fund from Ministry of Social and Family Development provided to eligible organisations for cyclical maintenance works.
- (d) Furniture and equipment Fund represents funds from the Ministry of Social and Family Development for the purpose of purchasing furniture and equipment for West Coast office.
- (e) Various programme funds which represent funds earned by the Foundation for its programmes.

Programme funds

The programme funds of the Foundation under 4 categories and they comprise the following:

- (i) Youth at Risk
 - (a) Children in Need Fund represents fund raised by Rotary Club of Bugis Junction to provide financial assistance to children identified by the social workers.
 - (b) Cotton on Youth Project Fund represents fund to support youth projects that create positive and measureable change in the lives of young men and women in Singapore or an ASEAN country.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

Programme funds (cont'd)

(ii) Education

- (a) Children's Education / Kid's Read Fund represents fund raised by Rotary Club of Queenstown to provide interactive reading session with the school students.
- (b) ITE Excellence Awards Fund represents fund for the purpose of rewarding ITE outstanding students to build self-confidence and pride in their skills.
- (c) FRCS-REF Dr. Mary Chin Education Fund represents donations received in memoriam of Dr. Mary Chin for education purposes.
- (d) RC Tanglin- Scholarship-SIT Fund represents fund raised by Rotary Club of Tanglin to provide scholarship for SIT's students.
- (e) FRCS-Donation to FRCS Learning Centre ("RLI") represents to the donations allocated for RLI's operation purposes.

(iii) Elderly

- (a) Happiness Fund represents fund raised by Rotary Club of Jurong Town for use in Inter-generational projects for the needy aged.
- (b) Project caregivers & eldercare.

(iv) Community / Terminally Ill / Health / Others

- (a) Avoidable Blindness Fund represents fund raised to combat against blindness that can be avoided. The fund is used to help those inflicted with such illnesses and others who are at risk.
- (b) Crohn's Irritable Bowel Disease (IBD) Fund represents fund raised by Rotary Club of Raffles City for the Crohn's & Colitis Society of Singapore to support the patients suffering from IBD.
- (c) Meals from the Heart Fund represents fund raised to provide meal coupons to needy senior citizens residing in Boon Lay and Yuhua Constituency.
- (d) Check in for Charity Fund represents fund raised from corporations through mobile app.
- (e) Bread project Fund represents fund to distribute bread and grocery items to needy senior residents in the neighborhood.
- (f) My Wish Fund represents fund raised by Rotary eClub of District 3310 to grant meaningful wishes to terminally-ill adult patients from low-income households.
- (g) My Wish Movie Screening 2018 fund represents fund raised by Rotary eClub of District 3310 to grant meaningful wishes to terminally-ill adult patients from low-income households.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

Programme funds (cont'd)

(iv) Community / Terminally Ill / Health / Others (cont'd)

- (h) Care Pack.
- (i) RCS-Skills Dev Ex-offenders fund represents funds raised for subsidies the cost of acquiring vocational driving licenses for eligible ex-offenders through Industrial and Service Co-operative Society Ltd which offers training subsidies for ex-offenders to enhance job prospects.
- (j) RCKG-Ramadan Syawal Gift fund represents funds raised to provide meals for those eligible families during Ramadan by collaboration with Badan Agama and Pelajaran Radin Mas (BAPA).
- (k) RCSG-Willing Heart Kitchen fund represents funds raised for the purchases of kitchen equipment to enable Willing Hearts can prepare 20,000 meals per day when they move to their new premises located in Telok Kurau.
- (l) CSE-Project Dignity Day fund represents funds raised for differently-abled and under-privileged individuals to get trained and employed in the food and beverage industry and provide meals for the community situated in Boon Keng.
- (m) The Invictus Fund represents funds raised for enhancing staff welfare, purchasing of COVID-19 safety items and funding online courses relevant to mental wellness and educational subjects.

Foundation of Rotary Clubs Family Service Centre ("FRCS FSC")

The programme funds of FRCS FSC comprise the following:

- (i) Lee Foundation – Financial Assistance Fund represents fund from Lee Foundation for the purpose of providing financial assistance to low-income individuals for a period of six months.
- (ii) School Pocket Money Fund represents fund (initiated by the Straits Times) to assist students from low-income families with their educational expenses.
- (iii) Family Service Centre (FSC) Comcare fund represents fund from the Ministry of Social and Family Development for the purpose of providing urgent financial assistance to the FSC's active clients. Assistance to clients is disbursed in the form of cash, vouchers or food rations. Subsequent to the year end, additional funding was received to defray the deficit for the fund for the current reporting year.
- (iv) FRCS FSC SuperStudents Fund represents fund for primary and secondary school students' bursary awards, education assistance fund and back to school fund. This fund is fully utilized in current reporting year.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

Foundation of Rotary Clubs Family Service Centre ("FRCS FSC") (cont'd)

- (v) Community Chest Haze Fund represents fund for the purpose of alleviating the haze situation by supporting programme operations and clients during the haze situation.
- (vi) FRCS FSC Ramadan Bonus Fund represents fund from Majlis Ugama Islam Singapura for once-off, lump-sum bonus provided to underprivileged Muslim families during the Ramadan festivities.
- (vii) SG Cares Volunteer Centre Development Programme Funds from Ministry of Culture, Community and Youth for growing and developing volunteer supply and coordinating with local community stakeholders to better support residents in need.
- (viii) Social Service Office Fund represents funds for ComCare assistance.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

15A. Programme and other project funds

	FRCS										FRCS FSC				Total
	Youth at Risk (Note 15B (a))	Education (Note 15B (b))	Elderly (Note 15B (c))	Community/ Terminally Ill/Health/ Others (Note 15B (d))	FRCS Learning Centre Star Up Fund	Lee Foundation – Financial Assistance Fund	School Pocket Money Fund	FSC Comcare Fund	Community Chest Haze Fund	FSC Ramadan Bonus Fund	SG Cares Volunteer Centre Fund	Social Service Office Fund			
<u>2021</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<u>Incoming Resources:</u>															
Government grants - MSF	-	-	-	-	-	-	-	168	-	4,200	100,000	1,500	-	105,868	
Other grants	7,190	38,000	-	54,705	-	34,680	-	-	-	-	-	-	-	134,575	
Donations	31,749	162,910	-	228,350	-	-	8,880	-	-	-	-	-	-	431,889	
Total incoming resources	38,939	200,910	-	283,055	-	34,680	8,880	168	-	4,200	100,000	1,500	-	672,332	
<u>Resources Expended:</u>															
Employee benefits expense	-	-	-	-	-	-	-	-	-	-	5,453	-	-	5,453	
Programme expenses	20,282	1,040	401	33,207	-	21,980	15,060	9,080	-	6,000	-	500	-	107,550	
Total resources expended	20,282	1,040	401	33,207	-	21,980	15,060	9,080	-	6,000	5,453	500	-	113,003	
Net surplus / (deficit)	18,657	199,870	(401)	249,848	-	12,700	(6,180)	(8,912)	-	(1,800)	94,547	1,000	-	559,329	
Balance as at 1 July 2020	149,733	1,509	387,819	314,580	14,700	4,400	14,760	12,270	526	6,000	-	-	-	906,297	
Fund transfer	-	14,700	-	(190)	(14,700)	-	-	-	-	-	-	-	-	(190)	
Balance as at 30 June 2021	168,390	216,079	387,418	564,238	-	17,100	8,580	3,358	526	4,200	94,547	1,000	-	1,465,436	

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

15A. Programme and other project funds (cont'd)

2020	FRCS				FRCS FSC						Total	
	Youth at Risk (Note 15B(a))	Education (Note 15B(b))	Elderly (Note 15B(c))	Community/ Terminally Ill/Health/ Others (Note 15B(d))	FRCS Learning Centre Start Up Fund	Lee Foundation – Financial Assistance Fund	School Pocket Money Fund	FSC Comcare Fund	FRCS FSC Super Students Fund	Community Chest Haze Fund		FSC Ramadan Bonus Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Incoming Resources:												
Government grants - MSF	-	-	-	-	-	-	-	19,692	-	-	12,000	31,692
Other grants	-	-	42,035	-	-	20,050	-	-	-	-	-	62,085
Donations	1,425	-	208,204	47,294	-	-	31,650	-	-	-	-	288,573
Other miscellaneous income	-	-	2,227	-	-	-	-	-	-	-	-	2,227
Total incoming resources	1,425	-	252,466	47,294	-	20,050	31,650	19,692	-	-	12,000	384,577
Resources Expended:												
Programme expenses	1,259	27,205	1,692	45,267	-	27,000	25,660	7,281	1,000	346	6,000	142,710
Total resources expended	1,259	27,205	1,692	45,267	-	27,000	25,660	7,281	1,000	346	6,000	142,710
Net surplus / (deficit)	166	(27,205)	250,774	2,027	-	(6,950)	5,990	12,411	(1,000)	(346)	6,000	241,867
Balance as at 1 July 2019	149,567	28,714	137,045	312,553	14,700	11,350	8,770	(141)	1,000	872	-	664,430
Balance as at 30 June 2020	149,733	1,509	387,819	314,580	14,700	4,400	14,760	12,270	-	526	6,000	906,297

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

15B. Programme / project funds

(a) Youth at Risk

	2021		2020		
	Children in Need Fund \$	Cotton On Youth Project Fund \$	Children in Need Fund \$	Cotton On Youth Project Fund \$	Kids Fiesta \$
		Total \$			Total \$
Incoming Resources:					
Other grants	-	7,190	-	-	-
Donations	-	31,749	-	-	1,425
Total incoming resources	-	38,939	-	-	1,425
Resources Expended:					
Programme expenses	-	20,282	-	1,259	-
Total resources expended	-	20,282	-	1,259	-
Net surplus / (deficit)	-	18,657	-	(1,259)	1,425
Balance at beginning of the year	7,992	141,741	1,592	143,000	4,975
Fund transfer	-	-	6,400	-	(6,400)
Balance at end of the year	7,992	160,398	7,992	141,741	-
		168,390			149,733

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

15B. Programme / project funds (cont'd)

(b) Education

	2021					2020			
	Children's Education / Kid's Read Fund \$	ITE Excellence Awards Fund \$	FRCS- REF Dr. Mary Chin Edu.Fund \$	RC Tanglin-Scholarship-SIT Fund \$	FRCS- Donation to FRCS Learning Centre \$	Children's Education / Kid's Read Fund \$	ITE Excellence Awards Fund \$	RC Spore East Education Bursary Fund \$	Total \$
<u>Incoming Resources:</u>									
Other grants	-	-	-	38,000	-	-	-	-	-
Donations	-	3,500	64,410	95,000	-	-	-	-	162,910
Total incoming resources	-	3,500	64,410	133,000	-	-	-	-	200,910
<u>Resources Expended:</u>									
Programme expenses	-	1,040	-	-	-	-	960	26,245	27,205
Total resources expended	-	1,040	-	-	-	-	960	26,245	27,205
Net surplus / (deficit)	-	2,460	64,410	133,000	-	-	(960)	(26,245)	(27,205)
Balance at beginning of the year	1	1,508	-	-	-	1	2,468	26,245	28,714
Fund transfer	-	-	-	-	14,700	-	-	-	-
Balance at end of the year	1	3,968	64,410	133,000	14,700	1	1,508	-	1,509

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

15B. Programme / project funds (cont'd)

(c) Elderly

	2021			2020		
	Happiness Fund \$	Project Caregivers and Eldercare \$	Total \$	Happiness Fund \$	Project Caregivers and Eldercare \$	Total \$
<u>Incoming Resources:</u>						
Other grants	-	-	-	-	42,035	42,035
Donations	-	-	-	-	208,204	208,204
Other miscellaneous income	-	-	-	2,227	-	2,227
Total incoming resources	-	-	-	2,227	250,239	252,466
<u>Resources Expended:</u>						
Programme expenses	401	-	401	1,692	-	1,692
Total resources expended	401	-	401	1,692	-	1,692
Net (deficit) / surplus	(401)	-	(401)	535	250,239	250,774
Balance at beginning of the year	65,580	322,239	387,819	65,045	72,000	137,045
Balance at end of the year	<u>65,179</u>	<u>322,239</u>	<u>387,418</u>	<u>65,580</u>	<u>322,239</u>	<u>387,819</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

15B. Programme / project funds (cont'd)

(d) Community / Terminally III / Health / Others

	Avoidable Blindness Fund \$	Crohn's IBD Fund \$	Meals from the Hearts Fund \$	My Wish Fund \$	Check in for Charity (Tanglin) Fund \$	Bread project \$	Care Pack \$	RCS- Skills Dev Ex- offenders \$	RCKG- Ramadan Syawal Gift \$	RCSG- Willing Heart Kitchen \$	CSE- Project Dignity Day \$	The Invictus Fund \$	Total \$
<u>2021</u>													
Incoming Resources:													
Other grants	-	-	-	-	-	-	-	4,705	-	-	-	50,000	54,705
Donations	-	2,837	-	-	-	-	-	13,425	6,935	157,966	43,463	3,724	228,350
Total incoming resources	-	2,837	-	-	-	-	-	18,130	6,935	157,966	43,463	53,724	283,055
Resources Expended:													
Programme expenses	-	-	10,500	400	-	8,882	-	13,425	-	-	-	-	33,207
Total resources expended	-	-	10,500	400	-	8,882	-	13,425	-	-	-	-	33,207
Net surplus / (deficit)	-	2,837	(10,500)	(400)	-	(8,882)	-	4,705	6,935	157,966	43,463	53,724	249,848
Balance at beginning of the year	167,023	29,579	20,728	63,849	7,340	25,871	190	-	-	-	-	-	314,580
Fund transfer	-	-	-	-	-	-	(190)	-	-	-	-	-	(190)
Balance at end of the year	167,023	32,416	10,228	63,449	7,340	16,989	-	4,705	6,935	157,966	43,463	53,724	564,238

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

15B. Programme / project funds (cont'd)

(d) Community / Terminally III / Health / Others (cont'd)

2020	Avoidable Blindness Fund \$	Crohn's IBD Fund \$	Meals from the Hearts Fund \$	My Wish Fund \$	My Wish Movie Screening 2018 \$	Check in for Charity (Tanglin) Fund \$	Bread project \$	Care Pack \$	Total \$
<u>Incoming Resources:</u>									
Donations	-	6,650	9,500	-	-	-	30,954	190	47,294
Total incoming resources	-	6,650	9,500	-	-	-	30,954	190	47,294
<u>Resources Expended:</u>									
Programme expenses	-	-	29,000	2,400	-	-	13,867	-	45,267
Total resources expended	-	-	29,000	2,400	-	-	13,867	-	45,267
Net surplus / (deficit)	-	6,650	(19,500)	(2,400)	-	-	17,087	190	2,027
Balance at beginning of the year	167,023	22,929	40,228	29,322	36,927	7,340	8,784	-	312,553
Fund transfer	-	-	-	36,927	(36,927)	-	-	-	-
Balance at end of the year	167,023	29,579	20,728	63,849	-	7,340	25,871	190	314,580

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

16. Categorisation of fund account balances

	Unrestricted				Restricted				Elimination between funds	Total
	Accumulated Fund	Rotary Eldercare and Caregivers Fund	FRCS Learning Centre Fund	General Fund (Note 15C)	Rotary House Project Fund	FRCS Family Service Centre Fund	MSF-Cyclical Maintenance Fund	Furniture and Equipment Fund		
<u>2021</u>										
Assets										
Non-current assets										
Property, plant and equipment	346,302	228,263	3,897	—	4,090,700	184,307	398,458	28,612	—	5,280,539
Right-of-use assets	—	—	—	—	—	51,074	—	—	—	51,074
Total non-current assets	346,302	228,263	3,897	—	4,090,700	235,381	398,458	28,612	—	5,331,613
Current assets										
Other receivables	48,199	—	11,013	—	284	154,976	—	—	—	214,472
Other assets	3,719	3,186	—	—	280	23,888	—	—	—	31,073
Interfund balances	—	—	16,980	—	65,080	7,218	—	—	128,363	(217,641)
Cash and cash equivalents	17,141	179,024	43,964	141,202	—	3,797,703	—	—	1,337,073	5,134,776
Total current assets	69,059	182,210	71,957	141,202	65,644	3,983,785	—	—	1,465,436	5,516,107
Total assets	415,361	410,473	75,854	141,202	4,156,344	4,219,166	398,458	28,612	1,465,436	11,093,265
Liabilities										
Non-current liabilities										
Lease liabilities, non-current	—	—	—	—	—	23,435	—	—	—	23,435
Other financial liabilities	—	—	50,000	—	—	—	—	—	—	50,000
Total non-current liabilities	—	—	50,000	—	—	23,435	—	—	—	73,435
Current liabilities										
Lease liabilities	—	—	—	—	—	28,021	—	—	—	28,021
Other payables	152,611	—	1,956	—	—	271,443	—	—	—	426,010
Other liabilities	1,050	—	1,614	—	—	—	—	—	—	2,664
Interfund balances	24,198	154,356	22,284	—	—	16,803	—	—	—	16,803
Transfer between funds	(12,230)	—	—	—	—	12,230	—	—	—	(217,641)
Total current liabilities	165,629	154,356	25,854	—	—	328,497	—	—	—	456,695
Net assets	249,732	256,117	—	141,202	4,156,344	3,867,234	398,458	28,612	1,465,436	10,563,135

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

16. Categorisation of fund account balances (cont'd)

	Unrestricted			Restricted			Elimination between funds	Total
	Rotary Eldercare and Caregivers Fund	FRCS Learning Centre Fund	General Fund (Note 15C)	Rotary House Project Fund	FRCS Family Service Centre Fund	MSF- Cyclical Maintenance Fund		
	\$	\$	\$	\$	\$	\$	\$	\$
2020								
Assets								
Non-current assets								
Property, plant and equipment	387,982	-	-	4,182,283	248,953	-	-	5,200,471
Right-of-use assets	-	-	-	-	57,797	-	-	57,797
Total non-current assets	387,982	-	-	4,182,283	306,750	-	-	5,258,268
Current assets								
Other receivables	49,794	-	-	20,501	105,586	-	-	180,568
Other assets	23,842	3,185	-	-	36,746	-	-	63,773
Interfund balances	-	-	-	24,957	189,420	-	(214,377)	-
Cash and cash equivalents	63,822	-	70,219	-	2,815,095	923,608	-	3,946,772
Total current assets	137,458	3,185	70,219	45,458	3,146,847	-	(214,377)	4,191,113
Total assets	525,440	3,185	70,219	4,227,741	3,453,597	923,608	(214,377)	9,449,381
Liabilities								
Non-current liabilities								
Lease liabilities, non-current	-	-	-	-	28,887	-	-	28,887
Other financial liabilities	-	-	-	-	-	-	-	50,000
Total non-current liabilities	-	-	-	-	28,887	-	-	78,887
Current liabilities								
Lease liabilities	-	-	-	-	29,120	-	-	29,120
Other payables	14,248	3,185	-	37	255,491	17,311	-	301,817
Other liabilities	4,616	-	-	-	115,699	-	-	124,816
Interfund balances	195,851	-	-	-	-	-	(214,377)	-
Transfer between funds	(12,230)	-	-	-	12,230	-	-	-
Total current liabilities	202,485	3,185	-	37	412,540	17,311	-	455,753
Net assets / (liabilities)	322,955	-	70,219	4,227,704	3,012,170	906,297	-	8,914,741

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

17. Lease liabilities

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

	<u>2021</u> \$	<u>2020</u> \$
Lease liabilities, current	28,021	29,120
Lease liabilities, non-current	<u>23,435</u>	<u>28,887</u>
	<u>51,456</u>	<u>58,007</u>

The weighted average incremental borrowing rate applied to lease liabilities recognised was 1.72% (2020: 1.72%) per annum.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

A summary of the maturity analysis of lease liabilities is disclosed in Note 22E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed in Note 10.

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.

The total for lease liabilities and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) is a reasonable approximation of the carrying amount.

Other disclosures on leases:

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 short-term leases included in resources expended	<u>37,199</u>	<u>7,290</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

18. Other financial liabilities, non-current

	<u>2021</u> \$	<u>2020</u> \$
Loan from a Rotarian	<u>50,000</u>	<u>50,000</u>

The loan is unsecured and non-interest bearing. The loan is extended for a period of two years and it is repayable in July 2022. The carrying amount is a reasonable approximation of fair value (Level 3).

19. Other payables

	<u>2021</u> \$	<u>2020</u> \$
Other payable and accrued liabilities	290,590	301,817
Other payable to Rotary International ^(a)	<u>135,420</u>	<u>–</u>
	<u>426,010</u>	<u>301,817</u>

^(a) This is pertaining to the members' contributions collected on behalf of Rotary International Convention's Host Organising Committee. Contributions collected would be used to defray the expenses to be incurred by the Rotary International Convention to be held in 2024.

20. Other non-financial liabilities

	<u>2021</u> \$	<u>2020</u> \$
Deferred grant	<u>2,664</u>	<u>124,816</u>

Deferred grant relates to the estimated payout under the Jobs Support Scheme that is available for use subsequent to the reporting year end.

21. Capital commitment

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 for renovation works	<u>285,755</u>	<u>–</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

22. Financial instruments: information on financial risks

22A. Categories of financial assets and liabilities

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

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Financial assets:</u>		
At amortised cost	<u>5,730,579</u>	<u>4,127,340</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>527,466</u>	<u>409,824</u>

Further quantitative disclosures are included throughout these financial statements.

22B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Foundation'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 practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

22C. 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 both 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.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

22D. 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 and receivables. 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 general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables.

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.

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

22E. Liquidity risk – financial liabilities maturity

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 classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. The Foundation has sufficient cash balances to support cash commitments from their existing liabilities.

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

	<u>Less than 1 year</u>	<u>1 – 3 years</u>	<u>3 – 5 years</u>	<u>Total</u>
	\$	\$	\$	\$
<u>2021:</u>				
Gross lease liabilities	28,644	20,392	3,708	52,744
Other financial liabilities	–	50,000	–	50,000
Other payables	426,010	–	–	426,010
At end of the year	<u>454,654</u>	<u>70,392</u>	<u>3,708</u>	<u>528,754</u>
<u>2020:</u>				
Gross lease liabilities	29,844	29,260	–	59,104
Other financial liabilities	–	50,000	–	50,000
Other payables	301,817	–	–	301,817
At end of the year	<u>331,661</u>	<u>79,260</u>	<u>–</u>	<u>410,921</u>

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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

22F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position. 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	<u>569,810</u>	<u>1,566,234</u>
Financial liabilities:		
Fixed rates	<u>51,456</u>	<u>58,007</u>

Sensitivity analysis: The effect on pre-tax profit is not significant.

22G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. 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.

The Foundation is not exposed to significant foreign currency risk.

23. Event after the end of the reporting year

On 9 July 2021, the Foundation set up a wholly owned subsidiary, Healthsafe Pte Ltd with paid-up capital of \$50,000. Principal activity of the company is to provide disinfection cleaning services for mobility devices.

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 Foundation are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>SFRS No.</u>	<u>Title</u>
SFRS 1 and 8	Definition of Material – Amendments
	The Conceptual Framework for Financial Reporting
SFRS PS 2	SFRS Practice Statement 2 Making Materiality Judgements
SFRS 39;107 and 109	Interest Rate Benchmark Reform – Amendments

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

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 Foundation 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 entity's financial statements in the period of initial application.

<u>SFRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments	1 Jan 2022
SFRS 109	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
Various	Annual Improvements to SFRSs 2018-2020	1 Jan 2022
SFRS 1	Classification of Liabilities as Current or Non-current – Amendments	1 Jan 2023