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NTUC-U CARE FUND

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2019

NTUC-U CARE FUND

ANNUAL REPORT

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NTUC-U CARE FUND

STATEMENT BY THE BOARD OF TRUSTEES

In our opinion:

(a) the accompanying financial statements of NTUC-U Care Fund (the "Fund") as set out on pages 5 to 22 are drawn up in accordance with the provisions of the Trade Unions Act, Chapter 333 (the "Act") and the Singapore Charities Act, Chapter 37 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs"), so as to give a true and fair view of the financial position of the Fund as at 31 December 2019, and the financial performance, changes in funds and cash flows of the Fund for the year then ended;

(b) the Fund has maintained a satisfactory system of controls over its assets and transactions in accordance with Regulation 16A of the Trade Unions Regulations;

(c) its funds were invested in the manner as prescribed in Sections 46 and 49(1)(b) of the Act;

(d) there were no payments made by the Fund during the year under review that were not authorised by the Act or the Trade Unions Regulations;

(e) the Fund complied with the requirements of Regulation 15 (fund-raising expenses) of Charities (Institutions of a Public Character) Regulations of the Charities Act, Chapter 37 which states that the total relevant fund-raising and sponsorship expenses had not exceeded 30% of the total relevant receipts from fund-raising and sponsorships for the year;

(f) proper accounting and other records have been kept by the Fund in accordance with the requirements of Regulation 16A of the Trade Unions Regulations and Charities (Institutions of a Public Character) Regulations of the Charities Act, Chapter 37; and

(g) the use of the donation monies was in accordance with the objectives of the Fund as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations.

The Board of Trustees has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Trustees

Wong Chin Huat
Chairman

Yeo Chun Fing
Treasurer

15 July 2020

Deloitte & Touche LLP
Unique Entity No. T08LL0721A
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

Tel: +65 6224 8288
Fax: +65 6538 6166
www.deloitte.com/sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF TRUSTEES OF NTUC-U CARE FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NTUC-U Care Fund (the "Fund"), which comprise the statement of financial position of the Fund as at 31 December 2019, and the statement of comprehensive income, statement of changes in funds and statement of cash flows of the Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 22.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Trade Unions Act, Chapter 333 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Fund as at 31 December 2019 and of the financial performance, changes in funds and cash flows of the Fund 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 Fund 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Statement by the Board of Trustees as set out on page 1.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is 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 THE

BOARD OF TRUSTEES OF NTUC-U CARE FUND

Responsibilities of Management and the Board of Trustees for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of the 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Fund'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 Fund's internal control.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund'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 Fund 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 the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by Regulation 16A of the Trade Unions Regulations and Charities (Institutions of a Public Character) Regulations of the Charities Act, Chapter 37, have been properly kept in accordance with those regulations.

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

(i) the Fund has not maintained a satisfactory system of controls over its assets and transactions in accordance with Regulation 16A of the Trade Unions Regulations;

(ii) its funds were not invested in the manner as prescribed in Sections 46 and 49(1)(b) of the Act;

(iii) there were payments made by the Fund during the financial year under review that were not authorised by the Act or the Trade Unions Regulations;

(iv) the Fund has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations; and

(v) the use of the donation monies was not in accordance with the objectives of the Fund as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

15 July 2020

NTUC-U CARE FUND

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019	2018
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	14,589,625	7,201,076
Other receivables	7	439,190	222,645
Investments	8	2,009,400	6,234,075
Total current assets		17,038,215	13,657,796
Non-current asset			
Investments	8	22,554,300	23,330,475
Total assets		39,592,515	36,988,271
LIABILITY AND FUND			
Current liability			
Other payables and accruals	9	4,707,240	4,689,129
Fund			
Trust fund		34,885,275	32,299,142
Total liability and fund		39,592,515	36,988,271

See accompanying notes to financial statements.

NTUC-U CARE FUND

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2019

	Note	2019	2018
		$	$
Income			
Donation income	10	7,862,272	7,971,348
Government grant	11	81,036	548,285
Investment revenue	12	634,254	628,567
Interest income		79,617	35,341
Reversal of unpresented vouchers in prior year	9	165,815	225,023
Gain in fair value of financial assets at FVTPL	13	296,362	-
Total income		9,119,356	9,408,564
Expenditure			
Back-to-school vouchers programme	9	2,524,375	2,667,625
U-Stretch vouchers programme	9	1,633,600	1,760,350
U Care Education Co-funding Scheme	9	436,733	735,875
U Care CSR Grant	9	33,085	34,499
Contribution to Eldercare Trust		1,000,000	1,000,000
Contribution to Bright Horizon Fund		750,000	750,000
Care & Share expense	11	-	548,285
President's Challenge 2018 - LIFT-UP Pathfinder expense	11	81,036	-
U FSE Short-term Relief Fund (E-scooter Delivery Riders)		57,500	-
Gotong Royong		8,621	-
Other expenses		8,273	7,546
Loss in fair value of financial assets at FVTPL	13	-	105,429
Total expenditure		6,533,223	7,609,609
Surplus before income tax		2,586,133	1,798,955
Income tax expense	14	-	-
Surplus for the year, representing total comprehensive income for the year		2,586,133	1,798,955

See accompanying notes to financial statements.

NTUC-U CARE FUND

STATEMENT OF CHANGES IN FUNDS
Year ended 31 December 2019

	Trust fund
	$
At 1 January 2018	30,500,187
Surplus for the year, representing total comprehensive income for the year	1,798,955
At 31 December 2018	32,299,142
Surplus for the year, representing total comprehensive income for the year	2,586,133
At 31 December 2019	34,885,275

See accompanying notes to financial statements.

NTUC-U CARE FUND

STATEMENT OF CASH FLOWS
Year ended 31 December 2019

	Note	2019	2018
		$	$
Cash flows from operating activities			
Surplus for the year		2,586,133	1,798,955
Adjustments for:			
Investment revenue		(634,254)	(628,567)
(Gain)/loss in fair value of financial assets at FVTPL		(296,362)	105,429
Interest income		(79,617)	(35,341)
Operating cash flows before movements in working capital		1,575,900	1,240,476
Change in other receivables		(175,739)	(3,225)
Change in other payables and accruals		18,111	(387,943)
Net cash from operating activities		1,418,272	849,308
Cash flows from investing activities			
Interest received		749,977	740,754
Purchase of quoted debt securities		(2,057,400)	(5,981,300)
Proceeds from maturity of quoted debt securities		7,277,700	5,500,000
Net cash from investing activities		5,970,277	259,454
Net increase in cash and cash equivalents		7,388,549	1,108,762
Cash and cash equivalents at beginning of year		7,201,076	6,092,314
Cash and cash equivalents at end of year	6	14,589,625	7,201,076

See accompanying notes to financial statements.

1 GENERAL

NTUC-U Care Fund (the "Fund"), established by National Trades Union Congress (the "Congress") on 16 February 2009, is principally engaged to support and promote the welfare of the members of the trade union movement in Singapore and of the families of the members. The registered office is 1 Marina Boulevard #11-01, NTUC Centre, Singapore 018989. On 1 November 2009, the Fund obtained its Institution of a Public Character status and commenced operations. The financial statements are presented in Singapore dollars which is the Fund's functional currency.

The Fund undertakes fund-raising activities to raise funds and solicit donations and sponsorships to provide services to the members in furtherance of its objective. The Fund is controlled by the Congress.

The financial statements were authorised for issue by the Board of Trustees on 15 July 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Trade Unions Act, Chapter 333 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs").

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Fund has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2019. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Fund's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, there are no other FRSs, INT FRSs and amendments to FRS issued but not yet effective that are relevant to the company.

FUND ACCOUNTING - In order to ensure observance of limitations and restrictions placed on the use of resources available to the Fund, the financial statements of the Fund are maintained substantially in accordance with the principles of 'fund accounting'. This is the procedure by which resources for various specific purposes are identified in the financial statements. Utilisation of funds is also restricted to the specific objectives of the various types of funds.

Unless specifically indicated, fund balances are not represented by any specific assets but are represented by the net assets of the Fund.

FINANCIAL INSTRUMENTS

Non-derivative financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- 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.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the fore-going, the Fund may irrevocably designate a debt investment that meet the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(a) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

(b) Financial assets at FVTPL

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4.

Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under FRS 109. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Fund recognises 12-month ECL for all financial assets as the credit risk on the financial asset has not increased significantly since initial recognition. If subsequently, there has been a significant increase in credit risk since initial recognition, the Fund will recognise lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring since initial recognition.

The 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. The expected credit losses on these financial assets are estimated using the Fund's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Fund considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Fund presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Fund has reasonable and supportable information that demonstrates otherwise.

The Fund assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Fund regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Fund considers that default has occurred when a financial asset is more than 180 days past due unless the Fund has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Fund writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

If the Fund has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Fund measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Fund becomes a party to the contractual provisions of the instrument.

The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Fund has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

The Fund classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables and accruals.

DONATION INCOME - Donation income is recognised on a receipt basis.

GOVERNMENT GRANT - Government grant that compensates the Fund for expenses incurred are recognised in statement of profit or loss and other comprehensive income on a systematic basis in the same period in which the expenses are recognised.

INTEREST INCOME - Interest income is recognised on an accrual basis, using the effective interest method.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Fund's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Fund's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	31 December 2019	31 December 2018
	$	$
Financial assets		
Financial assets at FVTPL	24,563,700	29,564,550
Financial assets at amortised cost	15,028,815	7,423,721
	39,592,515	36,988,271
Financial liabilities		
Financial liabilities at amortised cost	4,707,240	4,689,129

(b) Financial risk management policies and objectives

The Fund's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Fund. The Fund monitors and manages the financial risks relating to the operations to ensure appropriate measures are implemented in a timely and effective manner. These risks include credit risk, liquidity risk and market risk (including interest rate risk and investment risk). The Fund does not hold or issue derivative financial instruments for hedging or speculative purposes.

There has been no change to the Fund's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Credit risk

Credit risk refers to risk that counterparties may default on their contractual obligations. The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Fund's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 180 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Fund has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Fund's other receivables and quoted debt securities, by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross and net carrying amount $
2019				
Other receivables	7	Performing	12-month ECL	439,190
Quoted debt securities	8	Performing	12-month ECL	24,563,700
				25,002,890
2018				
Other receivables	7	Performing	12-month ECL	222,645
Quoted debt securities	8	Performing	12-month ECL	29,564,550
				29,787,195

The Fund's investment policies adhere to those prescribed by the Trustees Act for investment purposes. Liquid funds are deposited with regulated financial institutions.

The carrying amounts of investments, other receivables and cash and cash equivalents represent the maximum exposure to credit risk of the Fund.

(ii) Liquidity risk

Liquidity risk management is carried out by the management of the Fund. The Fund adopts prudent liquidity risk management by maintaining sufficient cash.

In order to ensure that it can fulfil its financial obligations at all times, the Fund only invests in investments of high liquidity and a portion of the Fund's surplus cash are maintained with regulated banks or financial institutions.

Liquidity risk analysis

Non-derivative financial liability

All financial liabilities in 2019 and 2018 are interest-free and repayable on demand or due within one year from the end of the reporting period.

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Fund's total return. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Fund does not have significant interest-bearing financial assets and liabilities, except for its investment in quoted debt securities and bank deposits. Quoted debt securities have fixed coupon rates. Bank deposits are short-term and with the current interest level, any future variations in interest rates are not expected to have a material impact on the Fund's results. Accordingly, no sensitivity analysis is presented.

Investment risk

Investment risk relates to price risk and arises when the value of instruments fluctuates as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Sensitivity analysis-securities price risk

The Fund is exposed to securities price risk arising from investments at FVTPL. Investments are held for strategic rather than trading purposes.

Further details of these investments can be found in Note 8.

Price sensitivity

The sensitivity analysis below has been determined based on the exposure to price risks at the reporting date.

In respect of quoted debt securities, if the inputs to the valuation model had been 10% higher/lower while all other variables were held constant, the Fund's surplus for the year ended 31 December 2019 would increase/decrease by $2,456,370 (2018 : $2,956,455).

(iv) Fair value of financial assets and financial liabilities

The fair value of investments are disclosed in Note 8. The carrying amounts of other financial assets and liabilities with maturity less than one year (including other receivables, cash and cash equivalents and other payables and accruals) approximate their fair values because of the short period to maturity.

Fair value hierarchy

The table below analyses financial instruments by the levels in the fair value hierarchy based on inputs to valuation techniques.

	Level 1
	$
2019	
Quoted debt securities	24,563,700
2018	
Quoted debt securities	29,564,550

During the financial year ended 31 December 2019, 31 December 2018 and 1 January 2018, there have been no transfers between level 1, 2 and 3.

5 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or vice versa, or where the Fund and the party are subject to common control or common significant influence. Unless otherwise stated, balances with related parties are unsecured, interest free and repayable on demand.

Significant related parties transactions:

	2019	2018
	$	$
The Congress		
Donations received	208,000	208,000
Reimbursement of expenses	81,036	548,285
Related parties		
Donations received	1,527,200	1,535,291
Purchase of services and vouchers	1,778,959	1,957,253
Transfer of investment to	1,069,963	-
Transfer of investment from	1,032,730	-

6 CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank	4,918,282	4,572,854
Fixed deposit placed with financial institutions	9,671,343	2,628,222
Cash and cash equivalents	14,589,625	7,201,076

Fixed deposit placed with financial institutions matures within the next 1 month to 3 months (2018 : 1 month to 3 months) and bear interest rates of 1.60% to 1.80% (2018 : 1.25% to 1.60%) per annum.

7 OTHER RECEIVABLES

	2019	2018
	$	$
Sundry receivables	178,964	3,225
Interest receivables	260,226	219,420
	439,190	222,645

8 INVESTMENTS

	2019	2018
	$	$
Current asset		
Financial assets at FVTPL:		
Quoted debt securities	2,009,400	6,234,075
Non-current asset		
Financial assets at FVTPL:		
Quoted debt securities	22,554,300	23,330,475
Total investments	24,563,700	29,564,550

Investments in quoted debt securities have average effective interest rate of 1.537% to 2.625% (2018 : 1.399% to 2.618%) per annum and mature in 2020 to 2029 (2018 : 2019 to 2029). The fair value of the debt securities are based on the quoted closing market prices on the last market date of the financial year.

9 OTHER PAYABLES AND ACCRUALS

	2019	2018
	$	$
Back-to-school vouchers programme	2,148,995	2,645,530
U-Stretch vouchers programme	1,633,600	1,760,310
U-Care Education Co-funding Scheme	80,338	154,875
U Care CSR Grant	5,626	9,314
	3,868,559	4,570,029
Contribution received in advance:		
- CapitaLand U Care Resilience and Enablement Fund	250,000	-
- President's Challenge 2018 - LIFT-UP Pathfinder	178,964	-
Other creditors	316,485	113,060
Amounts due to related parties	87,232	40
Accrued operating expenses	6,000	6,000
	4,707,240	4,689,129

	Back-to-school vouchers programme	U-Stretch vouchers programme	U Care Education Co-funding Scheme	U Care CSR Grant	Total
	$	$	$	$	$
At 1 January 2018	3,003,574	1,991,485	73,013	3,000	5,071,072
Vouchers given out to members/ Provision for programmes	2,667,625	1,760,350	735,875	34,499	5,198,349
Vouchers presented by members/ Programmes disbursements	(2,885,019)	(1,907,152)	(654,013)	(28,185)	(5,474,369)
Reversal of unpresented vouchers in prior year	(140,650)	(84,373)	-	-	(225,023)
At 31 December 2018	2,645,530	1,760,310	154,875	9,314	4,570,029
Vouchers given out to members/ Provision for programmes	2,524,375	1,633,600	436,733	33,085	4,627,793
Vouchers presented by members/ Programmes disbursements	(2,917,155)	(1,698,250)	(511,270)	(36,773)	(5,163,448)
Reversal of unpresented vouchers in prior year	(103,755)	(62,060)	-	-	(165,815)
At 31 December 2019	2,148,995	1,633,600	80,338	5,626	3,868,559

10 DONATION INCOME

During the year, donation income amounting to $7,862,272 (2018 : $7,971,348) are tax-exempt donations of which $6,704,292 (2018 : $6,768,405) are donation with tax deductible receipts.

11 GOVERNMENT GRANT, CARE & SHARE EXPENSE AND PRESIDENT'S CHALLENGE 2018 - LIFT-UP PATHFINDER EXPENSE

	Note	2019	2018
		$	$
Government grant and corresponding expenses:			
Care & Share movement	(i)	-	548,285
President's Challenge 2018 - LIFT-UP Pathfinder programme	(ii)	81,036	-
		81,036	548,285

(i) Government grant relates to grant from National Council of Social Services ("NCSS") based on utilisation of matching expenses incurred during the period from 1 January 2015 to 31 March 2021 (2018 : 1 January 2015 to 31 March 2021). The grant is capped at a maximum of $2,900,000 (2018 : $2,900,000) and has to be utilised by 31 March 2021 (2018 : 31 March 2021).

During the year, the amount of the grant received amounted to $Nil (2018 : $548,285). The corresponding matching expenses of $Nil (2018 : $548,285) are claimable by 31 March 2021 (2018 : 31 March 2021). This grant is administered and managed by the Congress.

(ii) Government grant relates to grant from National Council of Social Services ("NCSS") allocated for President's Challenge 2018 - LIFT-UP Pathfinder and has to be utilised within 2 years upon receipt of the monies by 23 May 2021 (2018 : Nil). During the year, the amount of the grant received amounted to $260,000 (2018 : $Nil). Out of which, $81,036 has been utilised. This grant is administered and managed by the Congress.

12 INVESTMENT REVENUE

	2019	2018
	$	$
Interest revenue from quoted debt securities	634,254	628,567

13 GAIN/(LOSS) IN FAIR VALUE OF FINANCIAL ASSETS AT FVTPL

	2019	2018
	$	$
Fair value gain/(loss) on quoted debt securities	296,362	(105,429)

14 INCOME TAX EXPENSE

The Fund is a registered charity under the Singapore Charities Act, Chapter 37 and is an Institution of Public Character under the Income Tax Act, Cap.134. No provision for taxation has been made in the financial statement as the Fund is a registered charity with income tax exemption.

15 EVENTS AFTER REPORTING PERIOD

The Coronavirus Disease 2019 ("COVID-19 outbreak") subsequent to the reporting period is expected to impact the fair values of the investments of the Fund. The Fund applies the fair value model to measure its investments of $24,563,700 (Note 8). Management considers the outbreak to be a non-adjusting event for the financial year ended 31 December 2019. In 2020, the fair values of the Fund's investments may be subject to unfavorable fluctuation due to COVID-19 outbreak. As the situation relating to the spread remains uncertain, it is currently not possible to ascertain the full financial impact it may have on the financial performance of the Fund in 2020. Notwithstanding this, management has determined that there is currently no condition or event that will affect the Fund's liquidity risk management.