

KEPPEL CARE FOUNDATION LIMITED
(Registration No. 201120171W)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020**

KEPPEL CARE FOUNDATION LIMITED
(Incorporated in Singapore)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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KEPPEL CARE FOUNDATION LIMITED
(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the Company for the financial year ended 31 December 2020.

In the opinion of the directors, the financial statements as set out on pages 6 to 12 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020, and the financial performance and cash flows of the Company for the financial year then ended, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

DIRECTORS

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

Lee Boon Yang
Loh Chin Hua
Wang Look Fung

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Section 8(a) of the Twelfth Schedule of the Singapore Companies Act, Cap. 50 (the "Act") do not apply to the Company as it is a company limited by guarantee and without share capital and debentures.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Section 9(a) of the Twelfth Schedule of the Act do not apply to the Company as it is a company limited by guarantee and without share capital and debentures.

SHARE OPTIONS

Sections (2) to (6) of the Twelfth Schedule of the Act do not apply to the Company as it is a company limited by guarantee.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Lee Boon Yang

Lee Boon Yang
Director

Loh Chin Hua

Loh Chin Hua
Director

Singapore, 6 April 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
KEPPEL CARE FOUNDATION LIMITED**

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Keppel Care Foundation Limited (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 (the "Charities Act") and Charities Accounting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the financial activities and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the balance sheet as at 31 December 2020;
- the statement of financial activities for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

KEPPEL CARE FOUNDATION LIMITED (continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement and other sections of the Company's Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Charities Accounting 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
KEPPEL CARE FOUNDATION LIMITED (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act and the Charities Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 6 April 2021

KEPPEL CARE FOUNDATION LIMITED
(Incorporated in Singapore)

BALANCE SHEET AS AT 31 DECEMBER 2020

		31 December	
	Note	2020 \$	2019 \$
FUNDS OF CHARITY			
Unrestricted funds		1,170,877	2,423,053
Total Charity Funds		1,170,877	2,423,053
CURRENT ASSETS			
Interest receivable from a related company of Keppel Corporation Limited		455	8,462
Cash and cash equivalents	3	4,740,422	5,926,431
		4,740,877	5,934,893
CURRENT LIABILITY			
Other payables and accruals	4	1,770,000	2,356,840
NON-CURRENT LIABILITY			
Other payables and accruals	4	1,800,000	1,155,000
NET ASSETS		1,170,877	2,423,053

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

KEPPEL CARE FOUNDATION LIMITED
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		← <u>Unrestricted Funds</u> →			
	Note	2020	2020	2020	2019
		IPC	Non-IPC	Total	Total
		\$	\$	\$	\$
INCOME					
Income from generated funds					
Voluntary income		2,347,250	-	2,347,250	5,113,800
Investment income	5	33,791	364	34,155	113,346
Total income		2,381,041	364	2,381,405	5,227,146
EXPENDITURES					
Charitable activities	5	(3,628,450)	-	(3,628,450)	(3,324,176)
Other expenditures					
Other expenses		(3)	(5,128)	(5,131)	(11,382)
Total expenditures		(3,628,453)	(5,128)	(3,633,581)	(3,335,558)
(Expenditure)/income before tax expense		(1,247,412)	(4,764)	(1,252,176)	1,891,588
Tax expense		-	-	-	-
Net (expenditure)/income		(1,247,412)	(4,764)	(1,252,176)	1,891,588
RECONCILIATION OF FUNDS					
Total funds brought forward		2,357,474	65,579	2,423,053	531,465
Total funds carried forward		1,110,062	60,815	1,170,877	2,423,053

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

KEPPEL CARE FOUNDATION LIMITED
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Net (expenditure)/income after tax expense		(1,252,176)	1,891,588
Adjustments for:			
Investment income – interest income		(34,155)	(113,346)
Operating cash flows before changes in working capital		(1,286,331)	1,778,242
Change in working capital:			
Other payables and accruals		58,160	(4,821,560)
Net cash used in operating activities		<u>(1,228,171)</u>	<u>(3,043,318)</u>
Cash flow from investing activity			
Interest received		42,162	106,553
Net cash from investing activity		<u>42,162</u>	<u>106,553</u>
Net decrease in cash and cash equivalents		(1,186,009)	(2,936,765)
Cash and cash equivalents at beginning of the year		<u>5,926,431</u>	<u>8,863,196</u>
Cash and cash equivalents at end of the year	3	<u>4,740,422</u>	<u>5,926,431</u>

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

KEPPEL CARE FOUNDATION LIMITED
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is incorporated and domiciled in Singapore. The address of the Company's registered office is 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

The Company is limited by guarantee. It was granted the status as a charity under the Charities Act on 14 September 2011. It was registered as a grantmaker under the double tax deduction scheme on 7 October 2011.

The Company is a non-profit philanthropic organisation established by Keppel Corporation Limited. The Company's vision statement is to make a positive and sustainable impact on people in need and the environment, through promoting education, providing care and encouraging green mindsets and initiatives.

The member of the Company has undertaken to contribute an amount not exceeding \$100 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company.

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 6 April 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act, Chapter 50, the Charities Act, Chapter 37 and Charities Accounting Standards ("CAS").

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore Dollars, which is the Company's functional and presentation currency.

The preparation of the financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Company's accounting policies.

In the process of applying the Company's accounting policies, the management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the financial statements.

(b) Income

Income shall be recognised in the Statement of Financial Activities (“SoFA”) when the effect of a transaction results in an increase in the Company’s net assets. This will be dependent on the following three factors being met:

- The Company has unconditional entitlement and control over the rights to the resource, enabling the Company to determine its future application;
- It is probable that the income will be received; and
- The amount can be measured with sufficient reliability.

(i) Voluntary Income

Voluntary income includes income generated from donations.

Donations are recognised in the SoFA as voluntary income when a donation has been made to the Company for distribution or for internal use by the Company. The income shall be recognised in the financial period in which the donation is receivable.

(ii) Investment Income

Investment income includes income from investment assets, including interest income from fixed deposits.

Interest income is recognised using the effective interest rate method.

(c) Charitable Activities

Expenditure on charitable activities comprises all the resources applied by the Company in undertaking its work to meet its charitable objectives.

(d) Taxation

The Company is registered as a charity under the Charities Act, Chapter 37 and is exempt from income tax.

(e) Liability Recognition

Liabilities are recognised when there is a present legal or constructive obligation committing the Company to the expenditure. Liabilities will arise when the Company is under a present obligation to make a transfer of value to another party as a result of past transactions or events.

(f) Other Payables and Accruals

Other payables excluding accruals are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the SoFA as incurred.

Accruals are recognised at the best estimate of the amount payable.

(g) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise fixed deposits and short-term placements with a related company

of Keppel Corporation Limited, which functions as the central treasury of the Keppel group of companies.

The Company assessed that the fixed deposits and short-term placements placed with the central treasury, which has sound financial strength, is subject to an insignificant risk of change in value. The nature of the fixed deposits and short-term placements are disclosed in Note 3.

(h) Funds Structure

The unrestricted fund is available for use at the discretion of the governing board members in furtherance of the Company's objectives.

3. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Fixed deposits with a related company of Keppel Corporation Limited	4,717,337	5,923,376
Short-term placements with a related company of Keppel Corporation Limited	<u>23,085</u>	<u>3,055</u>
	<u>4,740,422</u>	<u>5,926,431</u>

Fixed deposits placed with a related company of Keppel Corporation Limited mature within 1 month (2019: 1 month) from the financial year end and bear interest of 0.11% (2019: 1.58%) per annum.

Short-term placements with a related company of Keppel Corporation Limited bear interest ranging from 0.1% - 0.8% (2019: 0.45% - 1%) per annum and are repayable on demand.

Deposits with the related company of Keppel Corporation Limited, which functions as the central treasury of the Keppel group of companies, are subject to an arrangement with a bank where bank balances above or below a preset amount are transferred to/from a bank account of that company on a daily basis.

4. OTHER PAYABLES AND ACCRUALS

	2020		2019	
	Due within one year	Due after one year	Due within one year	Due after one year
Donations payable	1,770,000	1,800,000	2,354,967	1,155,000
Other payables	-	-	1,873	-
	<u>1,770,000</u>	<u>1,800,000</u>	<u>2,356,840</u>	<u>1,155,000</u>

Donations pledged but remain unpaid to Institutions of a Public Character ("IPC") as at the balance sheet date are presented as donations payable.

5. INVESTMENT INCOME / CHARITABLE ACTIVITIES

The Company's charitable activities relate to donations to IPC. Investment income on funds earmarked for charitable activities are attributed to IPC activities in the Statement of Financial Activities.

6. TRANSACTIONS WITH KEPPEL CORPORATION LIMITED AND ITS SUBSIDIARIES

Income from Keppel Corporation Limited and its subsidiaries include:

	2020	2019
	\$	\$
Voluntary income	2,347,250	5,113,800
Investment income – interest income	34,155	113,346
	<u>2,381,405</u>	<u>5,227,146</u>