

**GRACE LODGE**  
**(UEN: S88SS0120C)**  
**(Registered in Singapore Under the Societies Act 1966,**  
**Charities Act 1994 and Institution of Public Character)**

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**31 MARCH 2024**

**GRACE LODGE**

**(UEN: S88SS0120C)**

**(Registered in Singapore Under the Societies Act 1966,  
Charities Act 1994 and Institution of Public Character)**

**FINANCIAL STATEMENTS - 31 MARCH 2024**

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**GRACE LODGE**

**Statement by the Executive Committee**

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In the opinion of the Executive Committee:

- (a) the financial statements of Grace Lodge (the "Charity") as set out on pages 5 to 42 are properly drawn up with the provisions of the Societies Act 1966, Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Charity as at 31 March 2024 and the results, changes in funds and cash flows of the Charity for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

On behalf of the Executive Committee



.....  
Venerable Kuan Yan  
President



.....  
Toh Seng Poh  
Honorary Treasurer



.....  
Yeo Yam How  
Honorary Secretary

24 SEP 2024

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GRACE LODGE

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#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the financial statements of Grace Lodge (the "Charity"), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore (FRSs), so as to present fairly, in all material respects, the state of affairs of the Charity as at 31 March 2024 and the results, changes in funds and cash flows of the Charity for the financial 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 Charity 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*

The Executive Committee is responsible for the other information. The other information comprises Statement by the Executive Committee and the information included in the Annual Report 2024, 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 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 repeat that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GRACE LODGE

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#### *Responsibilities of the Executive Committee and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, the Executive Committee is responsible for assessing the Charity'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 Executive Committee either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

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

- 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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Executive Committee.
- Conclude on the appropriateness of Executive Committee'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 Charity'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 Charity to cease to continue as a going concern.

# ROBERT YAM & CO PAC

Incorporated with limited liability  
UEN: 201833873N

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GRACE LODGE

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#### *Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- 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.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required to be kept by the Charity have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies 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 financial year the Charity 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.



Robert Yam & Co PAC  
Public Accountants and  
Chartered Accountants  
Singapore

24 September 2024

RY\_AG/AL/DG/rbm

## GRACE LODGE

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024

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	Note	2024 S\$	2023 S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	5	4,769,574	778,327
<b>Current assets</b>			
Trade and other receivables	6	2,805,672	1,689,056
Prepayments		15,989	32,611
Cash and cash equivalents	7	7,699,725	8,318,098
		<u>10,521,386</u>	<u>10,039,765</u>
<b>Total assets</b>		<u>15,290,960</u>	<u>10,818,092</u>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Unrestricted funds:			
Accumulated Fund		8,268,668	7,902,724
Restricted funds:			
Ministry of Health (MOH) Medifund account	13	1,375,849	544,249
Agency for Integrated Care - Community Silver Trust ("AIC CST") grant	13	342,009	140,493
<b>Total funds</b>		<u>9,986,526</u>	<u>8,587,466</u>
<b>Non-current liabilities</b>			
Deferred capital grant	9	170,859	214,072
Lease liabilities	12(b)	2,216,465	-
		<u>2,387,324</u>	<u>214,072</u>
<b>Current liabilities</b>			
Deferred capital grant	9	60,867	52,039
Trade and other payables	10	639,267	1,849,882
Patients' deposits	11	113,633	114,633
Lease liabilities	12(b)	2,103,343	-
		<u>2,917,110</u>	<u>2,016,554</u>
<b>Net current assets</b>		<u>7,604,276</u>	<u>8,023,211</u>
<b>Total liabilities</b>		<u>5,304,434</u>	<u>2,230,626</u>
<b>Net assets</b>		<u>9,986,526</u>	<u>8,587,466</u>
<b>Total funds and liabilities</b>		<u>15,290,960</u>	<u>10,818,092</u>

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

GRACE LODGE

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024			2024	2023
		Unrestricted fund	Restricted funds		Total funds	Total funds
		Accumulated fund S\$	AIC CST grant S\$	MOH Medifund account S\$	S\$	S\$
<b>INCOME</b>						
Voluntary income	14	201,508	-	-	201,508	137,053
Income from generating funds	15	9,835,704	291,869	831,600	10,959,173	9,651,176
Income from charitable activities	16	3,001,906	-	-	3,001,906	1,933,457
Other income	17	46,516	-	-	46,516	160,519
<b>Total income</b>		<b>13,085,634</b>	<b>291,869</b>	<b>831,600</b>	<b>14,209,103</b>	<b>11,882,205</b>
<b>Less: EXPENDITURES</b>						
<b>Cost of generating voluntary income:</b>						
Administrative charges for on-line donation		1,269	-	-	1,269	972
<b>Governance cost:</b>						
Audit fee		27,000	-	-	27,000	22,000
License fee		142,656	-	-	142,656	99,782
Professional fee		59,684	-	-	59,684	13,190
<b>Total governance cost</b>		<b>229,340</b>	<b>-</b>	<b>-</b>	<b>229,340</b>	<b>134,972</b>



**GRACE LODGE**

**STATEMENT OF COMPREHENSIVE INCOME (cont'd\_2)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	2024			2024	2023
		Unrestricted fund	Restricted funds		Total funds	Total funds
		Accumulated fund S\$	AIC CST grant S\$	MOH Medifund account S\$	S\$	S\$
<b>Cost of generating funds:</b>						
Bonus	18	1,055,674	-	-	1,055,674	593,223
Catering services		507,253	-	-	507,253	510,437
Cleaning services		315,465	-	-	315,465	301,100
Consumable/surgical items						
- non-standard		113,042	-	-	113,042	100,944
- standard		100,358	-	-	100,358	92,780
CPF, SDL and FWL	18	1,284,320	-	-	1,284,320	1,308,403
Daily meals refreshment and cooking expenses		51,065	-	-	51,065	56,648
Laboratory, X-ray expenses		16,700	-	-	16,700	14,553
Laundry services		154,883	-	-	154,883	130,874
Medical and surgical supplies		38,771	-	-	38,771	30,976
Other consumables (diapers)		119,438	61,926	-	181,364	186,586
Other staff benefits	18	690,366	-	-	690,366	57,500
Oxygen supply expenses		4,715	-	-	4,715	4,937
Rental		-	-	-	-	2,280,000
Recreation and activities		13,930	-	-	13,930	29,143
Salaries	18	3,999,634	-	-	3,999,634	4,046,227
Staff expenses		51,767	-	-	51,767	21,160
Tube fees/health supplements		202,369	-	-	202,369	213,510
<b>Total cost of generating funds</b>		<b>8,719,750</b>	<b>61,926</b>	<b>-</b>	<b>8,781,676</b>	<b>9,979,001</b>

GRACE LODGE

STATEMENT OF COMPREHENSIVE INCOME (cont'd\_3)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024			2024	2023
		Unrestricted fund	Restricted funds		Total funds	Total funds
		Accumulated fund S\$	AIC CST grant S\$	MOH Medifund account S\$	S\$	S\$
<b>Cost of charitable activities:</b>						
Locum fee		39,770	-	-	39,770	37,194
Nursing care service		26,950	-	-	26,950	27,170
Pharmacy and medical fees		120,380	-	-	120,380	127,868
Physiotherapy services		107,503	-	-	107,503	108,780
<b>Total cost of charitable activities</b>		<b>294,603</b>	<b>-</b>	<b>-</b>	<b>294,603</b>	<b>301,012</b>
<b>Other expenses:</b>						
Bad debts written off		-	-	-	-	11,486
Bank charges		1,254	-	-	1,254	759
Depreciation of plant and equipment	5	2,336,761	29,710	-	2,366,471	247,503
Gas, water and electricity		299,564	-	-	299,564	284,534
Insurance		35,986	-	-	35,986	27,592
Interest expense on lease liabilities		284,005	-	-	284,005	-
Maintenance and services		33,230	1,944	-	35,174	45,406
Management fee		96,000	-	-	96,000	96,000
Plant and equipment written off		1,780	-	-	1,780	2,122
<b>Sub-total of other expenses</b>		<b>3,088,580</b>	<b>31,654</b>	<b>-</b>	<b>3,120,234</b>	<b>715,402</b>

**GRACE LODGE**

**STATEMENT OF COMPREHENSIVE INCOME (cont'd\_4)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	2024			2024	2023
		Unrestricted	Restricted		Total	Total
		fund	funds		funds	funds
		Accumulated	AIC CST	MOH		
		fund	grant	Medifund		
		S\$	S\$	account	S\$	S\$
				S\$		
<b>Other expenses (cont'd):</b>						
Postage and stamps		1,018	-	-	1,018	1,300
Printing and stationery		14,673	-	-	14,673	17,490
Recruitment expenses		7,343	-	-	7,343	17,989
Sundry expenses		43,392	(3,227)	-	40,165	159,632
Small assets		10,388	-	-	10,388	22,855
Staff training and course fees		5,647	-	-	5,647	24,721
Telephone charges		3,000	-	-	3,000	3,000
Upkeep of motor vehicles		9,519	-	-	9,519	11,777
Unclaimable GST expenses		291,168	-	-	291,168	263,442
<b>Total other expenses</b>		<b>3,474,728</b>	<b>28,427</b>	<b>-</b>	<b>3,474,728</b>	<b>1,237,608</b>
<b>Total expenditures</b>		<b>12,719,690</b>	<b>90,353</b>	<b>-</b>	<b>12,810,043</b>	<b>11,653,565</b>
<b>Net surplus for the year</b>		<b>365,944</b>	<b>201,516</b>	<b>831,600</b>	<b>1,399,060</b>	<b>228,640</b>
		=====	=====	=====	=====	=====

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

**GRACE LODGE****STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024****10**

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	Unrestricted fund	Restricted funds		Total
	Accumulated fund S\$	AIC CST grant S\$	MOH Medifund grant S\$	S\$
<b>Balance as at 1 April 2022</b>	7,990,203	236,708	148,503	8,375,414
Net surplus (deficit) for the year	(87,479)	(79,627)	395,746	228,640
Refund of funds	-	(16,588)	-	(16,588)
<b>Balance as at 31 March 2023</b>	<u>7,902,724</u>	<u>140,493</u>	<u>544,249</u>	<u>8,587,466</u>
Net surplus for the year	365,944	201,516	831,600	1,399,060
<b>Balance as at 31 March 2024</b>	<u>8,268,668</u> =====	<u>342,009</u> =====	<u>1,375,849</u> =====	<u>9,986,526</u> =====

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

**GRACE LODGE****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024****11**

	Note	2024 S\$	2023 S\$
<b>Cash flows from operating activities:</b>			
Net surplus (deficit) for the year		365,944	(87,479)
<u>Adjustments for:</u>			
Depreciation of plant and equipment	5	2,366,471	247,503
Interest expense on lease liabilities		284,005	-
Plant and equipment written off		1,780	2,122
Deferred capital grant amortisation		(60,867)	(41,113)
		<hr/>	<hr/>
Operating cash flow before working capital changes		2,957,333	121,033
<u>Changes in working capital:</u>			
Trade and other receivables		(1,116,616)	41,162
Prepayments		16,622	(18,644)
Trade and other payables		(1,210,615)	134,194
Patients' deposits		(1,000)	4,367
Deferred capital grant		26,482	115,492
		<hr/>	<hr/>
<b>Net cash from operating activities</b>		<b>672,206</b>	<b>397,604</b>
		<hr/>	<hr/>
<b>Cash flows from investing activity:</b>			
Purchase of plant and equipment, representing net cash used in investing activity	5	(43,695)	(216,270)
		<hr/>	<hr/>
<b>Cash flows from financing activities:</b>			
Repayment of lease liabilities		(1,995,995)	-
Interest paid		(284,005)	-
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>(2,280,000)</b>	<b>-</b>
		<hr/>	<hr/>
Net (decrease) increase in cash and cash equivalents		(1,651,489)	181,334
Cash and cash equivalents at beginning of year		7,633,356	7,452,022
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	7	<b>5,981,867</b>	<b>7,633,356</b>
		<hr/> <hr/>	<hr/> <hr/>

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

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

**1. Corporate information**

The Grace Lodge (the “Charity”) is registered under the Societies Act 1966 and is domiciled in the Republic of Singapore. The Charity is also an approved charity under the Charities Act 1994 and has been an Institution of Public Character (IPC) since 6 March 1990. Its present IPC status is effective from 1 September 2024 to 31 August 2027.

Its registered address and principal place of activities is located at Fu Hui Link, 19 Compassvale Walk, Singapore 544644.

The principal activity of the Charity is the provision of shelter and nursing care services for the needy, handicapped people and the aged sick in Singapore.

The financial statements for the financial year ended 31 March 2024 were authorised for issue by the Executive Committee on 24 September 2024.

**2 Basis of preparation**

**2.1 Statement of compliance**

These financial statements have been prepared on historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore.

The financial statements of the Charity have been prepared on the basis that it will continue to operate as a going concern.

**2.2 Functional and presentation currency**

The financial statements are presented in Singapore Dollar (“S\$”) which is the functional currency of the Charity.

**3. Material accounting policy information**

This section sets out the (i) material accounting policy information upon which the Charity’s financial statements are prepared as a whole and (ii) other material accounting policy information not otherwise described in the notes to the financial statements. Where material accounting policy information is specific to a line item in the financial statements, the policy is described within the note for that line item.

The material accounting policy information below have been applied consistently with those of previous financial years, except as explained in Note 26, which addresses changes in material accounting policies.

**3.1 Plant and equipment**

All items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Furniture and fittings	10 years
Computer equipment	3 years
Equipment	10 years
Motor vehicles	10 years
Renovations	10 years
Right-of-use assets	Over lease term

The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

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**3. Material accounting policy information (cont'd)**

**3.2 Impairment of non-financial assets**

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Charity makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**3.3 Financial Instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Charity becomes a party to the contractual provisions of the instruments.

**Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade basis.

Financial assets are initially measured at fair value (except for trade receivables that do not have a significant financing component which are measured at transaction price), net of transaction costs that are directly attributable to the acquisition or issue of the financial assets other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in profit or loss.



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**3. Material accounting policy information (cont'd)**

**3.3 Financial instruments (cont'd)**

**Financial liabilities and equity**

**Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument relates to the funds of the Charity which comprises of the unrestricted accumulated fund and restricted funds which represent the residual interest in the assets of the Charity after deducting all of its liabilities.

**Financial liabilities at amortised cost**

Financial liabilities at amortised cost include trade and other payables and borrowings. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities and are subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities**

The Charity derecognises financial liabilities when, and only when, the Charity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**3.4 Fair value measurement**

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 Charity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for the 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 value in use in FRS 36 Impairment of Assets.

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**3. Material accounting policy information (cont'd)**

**3.4 Fair value measurement (cont'd)**

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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- 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
- Level 3 inputs are unobservable inputs for the asset or liability.

**3.5 Impairment of financial assets**

The Charity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Charity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade and other receivables, the Charity applies a simplified approach in calculating ECLs. Therefore, the Charity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Charity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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**3. Material accounting policy information (cont'd)**

**3.5 Impairment of financial assets (cont'd)**

The Charity considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Charity may also consider a financial asset to be in default when internal or external information indicates that the Charity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Charity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**3.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand. For the purpose of presentation in the statement of cash flows, restricted cash are excluded.

**3.7 Provisions**

Provisions are recognised when the Charity has 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Changes in estimates are reflected in profit or loss in the financial year they occur.

**3.8 Government grants**

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

Non-monetary government grant is recognised at nominal amount.

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**3. Material accounting policy information (cont'd)**

**3.9 Employee benefits**

**(a) Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity such as the Central Provident Fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

**(b) Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

**3.10 Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Charity expects to be entitled in exchange for transferring goods or services to a customer, net of any related sales taxes and excluding any amounts collected on behalf of third parties.

Rendering services

The Charity provides nursing care, medical care and therapy for needy, handicapped persons and the aged sick. Such services are recognised as a performance obligation satisfied over time. Service income (comprising admission fees, fee received from residents and from day rehabilitation and society nursing and reimbursement income) is recognised when services are rendered to the residents.

Revenues from patients/residents' fees are recognised when due and receivable.

ILTC subvention subsidies and grants

Intermediate and Long-Term Care ("ILTC") subvention grants were provided by the government to the Charity for the purposes of providing subsidised nursing home care services for patients / residents during the approved period.

Subsidies and grants are recognised on accrual basis when the receipts are certain.

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**3. Material accounting policy information (cont'd)**

**3.10 Revenue recognition (cont'd)**

Donations

Donations are recognised as income when received. If donations are received for a specific fund-raising or charity event and the event has not occurred, the donation received will be deferred as a liability until the event has been conducted.

Donation in kind

Assets given for use by the Charity are recognised as incoming resources and within the relevant plant and equipment category of the statement of financial position when its fair value can be measured reliably and it is receivable. Goods donated as consumables are recorded at values based on a reasonable estimate of their value (if material). Assets which are donated for resale, distribution or consumption are not recorded when received as it is usually not practical to ascertain the value of the items involved. No value is ascribed to volunteer services. The donation is recognised if the amount of the donation in kind can be measured reliably and there is no uncertainty that it will be received.

**3.11 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. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activity of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

*Accumulated Fund*

This fund, which is unrestricted, is expendable at the discretion of the Executive Committee in furtherance of the Charity's objectives.

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**3. Material accounting policy information (cont'd)**

**3.11 Funds**

*Restricted Funds*

- (a) Ministry of Health Medifund Account ("MOH Medifund account) is a restricted fund set up to account for the disbursement by the Ministry of Health (MOH) to the Charity to help needy patients approved by the Medifund Facility Committee. The fund is placed in a designated bank account solely for this purpose.
- (b) Agency for Integrated Care - Community Silver Trust grant ("AIC CST grant") is a restricted fund set up to account for grant received from the Community Silver Trust, which is a dollar-for-dollar matching grant provided by the Government and is managed by MOH and administered by the Agencies of Integrated Care.

**3.12 Income tax**

The Charity is a registered charity under the Charities Act and is exempt from income tax under Section 13(1)(zm) of the Income Tax Act.

**3.13 Leases**

The Charity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As lessee**

The Charity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Charity recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**Right-of-use assets**

The Charity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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**3. Material accounting policy information (cont'd)****3.13 Leases (cont'd)****Right-of-use assets (cont'd)**

If ownership of the leased asset transfers to the Charity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 3.2.

**Lease liabilities**

At the commencement date of the lease, the Charity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Charity and payments of penalties for terminating the lease. If the lease term reflects the Charity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Charity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Charity's lease liabilities are presented as separate line in statement of financial position as disclosed in Note 12.

**4 Significant accounting judgement and estimates**

The preparation of financial statements in conformity with FRSs requires the use of judgements, 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 income and expenditure during the financial year. Although these estimates and assumptions are based on management's best knowledge of current events, actions, historical experiences and various other factors that one believe to be reasonable under the circumstances, actual results may ultimately differ from those estimates and assumptions. The Executive Committee is of the opinion that there is no significant judgement made in applying accounting policies. The Executive Committee is also of the opinion that there is no uncertainty in estimation that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

GRACE LODGE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. Plant and equipment

	Furniture and fittings S\$	Computer equipment S\$	Equipment S\$	Motor vehicles S\$	Renovations S\$	Right-of-use assets (nursing home and office premises) S\$	Total S\$
<b><u>2024</u></b>							
<b>Cost</b>							
At 1 April 2023	57,983	236,762	1,563,319	178,015	383,039	-	2,419,118
Addition	4,750	32,517	6,428	-	-	6,315,803	6,359,498
Write-off	(900)	-	(2,164)	-	-	-	(3,064)
At 31 March 2024	<u>61,833</u>	<u>269,279</u>	<u>1,567,583</u>	<u>178,015</u>	<u>383,039</u>	<u>6,315,803</u>	<u>8,775,552</u>
<b>Accumulated depreciation</b>							
At 1 April 2023	44,535	124,164	1,137,525	178,000	156,567	-	1,640,791
Charge for the year	5,413	61,555	155,833	15	38,387	2,105,268	2,366,471
Write-off	(420)	-	(864)	-	-	-	(1,284)
At 31 March 2024	<u>49,528</u>	<u>185,719</u>	<u>1,292,494</u>	<u>178,015</u>	<u>194,954</u>	<u>2,105,268</u>	<u>4,005,978</u>
<b>Net carrying amount</b>							
At 31 March 2024	<u>12,305</u>	<u>83,560</u>	<u>275,089</u>	<u>-</u>	<u>188,085</u>	<u>4,210,535</u>	<u>4,769,574</u>



## 5. Plant and equipment (cont'd)

	Furniture and fittings S\$	Computer equipment S\$	Equipment S\$	Motor vehicles S\$	Renovations S\$	Total S\$
<b><u>2023</u></b>						
<b>Cost</b>						
At 1 April 2022	57,983	123,166	1,464,823	178,015	383,039	2,207,026
Additions	-	113,596	102,674	-	-	216,270
Write-off	-	-	(4,178)	-	-	(4,178)
At 31 March 2023	57,983	236,762	1,563,319	178,015	383,039	2,419,118
<b>Accumulated depreciation</b>						
At 1 April 2022	39,238	78,813	991,870	167,243	118,180	1,395,344
Charge for the year	5,297	45,351	147,711	10,757	38,387	247,503
Write-off	-	-	(2,056)	-	-	(2,056)
At 31 March 2023	44,535	124,164	1,137,525	178,000	156,567	1,640,791
<b>Net carrying amount</b>						
At 31 March 2023	13,448	112,598	425,794	15	226,472	778,327
	=====	=====	=====	=====	=====	=====

During the financial year, the Charity acquired plant and equipment with an aggregate cost of S\$6,359,498 (2023: S\$216,270) of which S\$6,315,803 (2023: S\$Nil) was acquired by means of leases related to right-of-use assets and cash payment of S\$43,695 (2023: S\$216,270).

Details of leased assets are disclosed in Note 12.

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6. Trade and other receivables	2024	2023
	S\$	S\$
Trade receivables:		
- Resident patients	1,590,339	918,056
	<hr/>	<hr/>
Other government grant receivables:		
- Community Care Salary Enhancement (CCSE)	540,772	165,796
- Intermediate and long-term care subvention	454,596	389,524
- Rental subvention	149,801	151,124
- Receivable from MOH	70,164	64,556
	<hr/>	<hr/>
	1,215,333	771,000
	<hr/>	<hr/>
	2,805,672	1,689,056
	=====	=====

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

ECL on trade and other receivables

The trade receivables are mainly from patients secured by admission deposits and subsidy receivables from the government and are considered to have low credit risk as revenue from patients are covered by Ministry of Health ("MOH") and by other government agencies. There have been no historical losses on these subsidised receivables from the governments and there has been no significant increase in the risk of default since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. No loss allowance is recognised as amount is expected to be negligible.

Other government grant receivables are non-trade related, unsecured, non-interest bearing and repayable on demand.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Cash and cash equivalents**

	2024	2023
	S\$	S\$
Cash at banks	7,698,070	8,317,404
Cash on hand	1,655	694
	<u>7,699,725</u>	<u>8,318,098</u>
	=====	=====

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2024	2023
	S\$	S\$
Cash and bank balances (as above)	7,699,725	8,318,098
Less: Restricted cash - Medifund account (Note 13)	(1,375,849)	(544,249)
- AIC CST Grant (Note 13)	(342,009)	(140,493)
	<u>5,981,867</u>	<u>7,633,356</u>
	=====	=====

**8. Government grants**

	2024	2023
	S\$	S\$
Grant from MOH:		
- Patient subvention income grant	7,862,620	7,298,121
- Rental subvention grant	605,618	600,484
	<u>8,468,238</u>	<u>7,898,605</u>
- Community Care Salary Enhancement grant (CCSE) <sup>(1)</sup>	1,361,691	420,469
- MediFund grant	831,600	1,004,600
Grant from Agency for Integrated Care (AIC):		
- Community Silver Trust (CST) grant	291,869	196,391
- Other grants	5,775	131,111
	<u>10,959,173</u>	<u>9,651,176</u>
	=====	=====

**8. Government grants (cont'd)**

- (1) The CCSE grant from MOH is given to fund the salary enhancement for local and foreign nurses, allied health care professionals, pharmacists and administrative and ancillary, including support care staff in the community care sector.

**9. Deferred capital grant**

	2024	2023
	S\$	S\$
(a) Renovation work Dementia Ward:		
At 1 April	160,575	191,732
Grant utilisation of funds for the year	(31,157)	(31,157)
At 31 March	<u>129,418</u>	<u>160,575</u>
(b) Upgrading work at General Ward:		
At 1 April	105,536	-
Grants received during the year	26,482	115,492
Grant utilisation of funds for the year	(29,710)	(9,956)
At 31 March	<u>102,308</u>	<u>105,536</u>
	<u>231,726</u>	<u>266,111</u>
	=====	=====
Analysed as:		
Current	60,867	52,039
Non-current	170,859	214,072
	<u>231,726</u>	<u>266,111</u>
	=====	=====

**(a) Renovation work at Dementia Ward**

The Charity received a capital expenditure grant from MOH for the renovation work the dementia ward.

**9. Deferred capital grant (cont'd)**

## (b) Upgrading work at General Ward

The Charity received capital expenditure grant from the Agency of Integrated Care (“CST”) for the upgrade of WIFI and CCTV Surveillance at the general ward.

These capital grants are amortised over the useful life of the assets which is 3 years and 10 years, respectively.

**10. Trade and other payables**

	2024	2023
	S\$	S\$
Trade payables:		
- Non-related parties	164,268	382,090
Other payables:		
Amounts due to a related party	404,647	1,411,420
Accruals	25,000	20,000
	<u>593,915</u>	<u>1,813,510</u>
Financial liabilities	593,915	1,813,510
GST payables	45,352	36,372
	<u>639,267</u>	<u>1,849,882</u>
	=====	=====

Trade payables are non-interest bearing and are generally on 30 days' terms.

Amounts due to a related party is non-trade related, unsecured, non-interest bearing and repayable on demand.

**11. Patients' deposits**

	2024	2023
	S\$	S\$
Patients' deposits	113,633	114,633
	=====	=====

**11. Patients' deposits (cont'd)**

Patients' deposits are refundable deposits received from patients upon admission and refundable upon discharge of the patients from the nursing home. The quantum varies for each patient and is dependent upon their ability to pay and committed monthly payments based on financial counselling and social worker's report.

**12. Lease liabilities**

The Charity lease land from its related party for its operations. The Charity is restricted from assigning and subleasing the leased assets.

**(a) Carrying amounts of right-of-use assets classified within plant and equipment**

	Premises S\$
As at 1 April 2023	-
Additions	6,315,803
Depreciation	(2,105,268)
	<hr/>
As at 31 March 2024	4,210,535
	=====

During the year, the Charity enters into sub-lease agreement with its related entity, which qualifies under the FRS 116 (Leases) requirement. The lease term is for 36 months (2023: 12 months - short-term lease).

The premises under leased is used for nursing home and office premises.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**12. Lease liabilities (cont'd)****(b) Lease liabilities**

The carrying amounts of lease liabilities are as follows:

	2024 S\$
Lease liabilities for nursing home and office space	4,319,808
	=====
Analysed:	
Current	2,103,343
Non-current	2,216,465
	-----
	4,319,808
	=====

The maturity analysis of lease liability is disclosed in Note 21(b).

The incremental borrowing rate applied in the lease is 5.25% per annum (2023: Nil).  
The Charity does not face a significant liquidity risk with regard to its lease liabilities.

**(c) Amount recognised in profit and loss**

	2024 S\$	2023 S\$
Depreciation of right-of-use assets	2,105,268	-
Interest expense on lease liabilities	284,005	-
Expenses relating to short-term leases	-	2,280,000
	-----	-----
Total amount recognised in profit or loss	2,389,273	2,280,000
	=====	=====

**(d) Total cash outflows**

The Charity had total cash outflows for leases of S\$2,280,000 (2023: S\$Nil).

**12. Lease liabilities (cont'd)**Reconciliation of liabilities arising from financial activities

The table below details changes in the Charity's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Charity's statement of cash flows as cash flows from financial activities.

(In S\$)	1 January 2023	Cash flows			Non-cash changes	31 December 2023
		Additions	Payment of principal	Payment of interest	Accretion of interest	
Lease liabilities	-	6,315,803	(1,995,995)	(284,005)	284,005	4,319,808

**13. Restricted funds**

These are restricted designated grants received from the Government of Singapore to subsidise and aid in the expenses of the patients:

**(a) AIC Community Silver Trust (CST) grant**

	2024 S\$	2023 S\$
At 1 April	140,493	236,708
Grants received during the year	291,869	196,391
Grants utilised during the year	(90,353)	(276,018)
Grants refunded during the year	-	(16,588)
	342,009	140,493
At 31 March	342,009	140,493

The Community Silver Trust (CST) is a scheme whereby the Agency for Integrated Care (AIC) will provide a matching grant of one dollar for every donation raised by eligible organisations.



**13. Restricted funds (cont'd)**

**(a) AIC Community Silver Trust (CST) grant (cont'd)**

The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long Term (ILTC) sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care.

The CST matching grant has to be utilised before 31 March 2028 and AIC has the right to clawback the balance amounts in the event the grant is not used before the stipulated deadline.

**(b) MOH MediFund grant**

	2024	2023
	S\$	S\$
At 1 April	544,249	148,503
Grants received during the year (Note 15)	831,600	1,004,600
Grants utilised during the year	-	(608,854)
	<hr/>	<hr/>
At 31 March	1,375,849	544,249
	=====	=====

This fund is set up and funded by Ministry of Health to finance the residents who are unable to pay the monthly fees and other medical related charges.

**14. Voluntary income**

	2024	2023
	S\$	S\$
Tax-exempt donations received	179,066	100,302
Donations received	22,442	36,751
	<hr/>	<hr/>
	201,508	137,053
	=====	=====

**15. Income from Generating Funds**

	2024	2023
	S\$	S\$
<u>Unrestricted</u>		
Received from MOH:		
- Recurrent grant subsidy	7,862,620	7,298,121
- Rental subvention	605,618	600,484
- Community Care Salary Enhancement	1,361,691	420,469
	<u>9,829,929</u>	<u>8,319,074</u>
Received from Agency for Integrated Care (AIC):		
- Other grants	5,775	131,111
	<u>9,835,704</u>	<u>8,450,185</u>
 <u>Restricted</u>		
- MOH Medifund	831,600	1,004,600
- AIC Community Silver Trust (CST) grant	291,869	196,391
	<u>1,123,469</u>	<u>1,200,991</u>
	<u>10,959,173</u>	<u>9,651,176</u>
	=====	=====

**16. Income from Charitable Activities**

	2024	2023
	S\$	S\$
Revenue from patients and related income	10,895,042	10,001,652
Less: Patients' subsidies		
- Recurrent grant subsidy	7,688,828	7,298,121
- ILTC subvention	48,013	41,332
- Waiver	156,295	119,888
	(7,893,136)	(7,459,341)
Grants utilised during the year	-	(608,854)
	<u>3,001,906</u>	<u>1,933,457</u>
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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17. Other income

	2024	2023
	S\$	S\$
Wage credit scheme	5,390	54,629
Jobs credit grant	-	38,433
MOH fund revenue - others	31,157	31,157
Reversal of ECL allowance on trade receivables	-	300
Sundry income	9,969	36,000
	<u>46,516</u>	<u>160,519</u>
	=====	=====

18. Staff costs

	2024	2023
	S\$	S\$
<u>Unrestricted</u>		
Salaries	3,999,634	4,008,463
Bonus	1,055,674	593,223
CPF contribution, SDL and FWL	1,284,320	1,308,403
Other short-term employee benefits	690,366	57,500
	<u>7,029,994</u>	<u>5,967,589</u>
<u>Restricted</u>		
Salaries	-	37,764
	<u>7,029,994</u>	<u>6,005,353</u>
	=====	=====
Total number of employees	<u>148</u>	<u>153</u>
	=====	=====

Number of staffs in remuneration band:

S\$200,001 and above	1	-
S\$100,001 - S\$200,000	5	3
S\$50,001 - S\$100,000	20	17
S\$50,000 and below	122	133
	=====	=====

**19. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Charity and related parties took place at terms agreed between the parties during the financial year:

**(a) Services rendered:**

	2024	2023
	S\$	S\$
Rental of office premises, water and electricity charged by a related party	2,579,564	2,564,534
Management fee paid to a related party	96,000	96,000
	=====	=====

Related parties comprise mainly entities which are controlled or significantly influenced by members of the Executive Committee.

***Key management personnel compensation:***

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Charity. The members of the Executive Committee are considered key management personnel and did not receive any form of remuneration for the financial years ended 31 March 2024 and 2023.

**20. Categories of financial assets and financial liabilities**

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	2024	2023
	S\$	S\$
<u>Financial assets</u>		
Financial assets at amortised cost:		
Trade and other receivables	2,805,672	1,689,056
Cash and cash equivalents	7,699,725	8,318,098
	-----	-----
	10,505,397	10,007,154
	=====	=====

20. Categories of financial assets and financial liabilities (cont'd)

	2024	2023
	S\$	S\$
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Trade and other payables	593,915	1,813,510
Patients' deposits	113,633	114,633
Lease liabilities	4,319,808	-
	<u>5,027,356</u>	<u>1,928,143</u>
	=====	=====

Further quantitative disclosures are included throughout these financial statements.

21. Financial risk management

The Charity's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

The Executive Committee reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been, throughout the current and previous financial year, the Charity's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Charity's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Charity's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Charity. The major classes of financial assets of the Charity are trade and other receivables and cash and cash equivalents.

As the Charity does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

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**21. Financial risk management (cont'd)****(a) Credit risk (cont'd)**

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

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

**Credit risk concentration profile**

The Charity has no concentration of credit risk, with exposure spread over a large number of counterparties and patients, apart from cash and cash equivalents placed with highly reputable licensed banks in Singapore.

**(b) Liquidity risk**

Liquidity risk is the risk that the Charity will encounter difficulty in meeting financial obligations due to shortage of funds. The Charity manages its liquidity risk by maintaining an adequate level of cash and cash equivalents. The Executive Committee is satisfied that funds are available to finance the operations of the Charity.

The table below summarises the maturity profile of the Charity's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

**21. Financial risk management (cont'd)****(b) Liquidity risk (cont'd)**

	1 year or less S\$	2 to 5 years S\$	Adjustments S\$	Total S\$
<b><u>2024</u></b>				
Trade and payables	593,915	-	-	593,915
Patients' deposits	113,633	-	-	113,633
Lease liabilities	2,280,000	2,280,000	(240,192)	4,319,808
	<u>2,987,548</u>	<u>2,280,000</u>	<u>(240,192)</u>	<u>5,027,356</u>
	=====	=====	=====	=====
<b><u>2023</u></b>				
Trade and payables	1,813,510	-	-	1,813,510
Patients' deposits	114,633	-	-	114,633
	<u>1,928,143</u>	<u>-</u>	<u>-</u>	<u>1,928,143</u>
	=====	=====	=====	=====

**22. Fair value of financial assets and financial liabilities**

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, patients' deposits and current portion of lease liabilities, approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Fair value information of non-current portion of the lease liabilities is disclosed in Note 12.

**23. Capital management**

The Charity's objectives when managing capital are to safeguard the Charity's ability to continue as a going concern so that it can continue to provide delivery of its services and programmes to the public and its members.

The capital structure of the Charity consists of accumulated fund and restricted funds as shown in the statement of financial position. In order to maintain the capital structure, the Charity may appeal for donation from the general public.

The Charity reviews its accumulated funds and restricted funds on a quarterly basis to ensure that the Charity will be able to continue as a going concern. The Charity's overall strategy remains unchanged from 2023.

The Charity is not subject to any externally imposed capital requirements for the financial years ended 31 March 2024 and 2023, respectively.

**24. Reclassification and comparative figures**

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. The CST grant funding received in 2023 for the upgrading works at General Ward was incorrectly recorded.

In addition, the income from generating funds and income from charitable activities were interchangeably misclassified.

As a result, certain line items have been amended in the statement of financial position, and statement of comprehensive income has been made for the previous financial year ended 31 March 2023.



**24. Reclassification and comparative figures (cont'd)**

Comparative figures have been reclassified to conform to the current year's presentation. The items were reclassified as follows:

	As previously reported S\$	Reclassification S\$	After reclassification S\$
<b><u>31 March 2023</u></b>			
<b>Statement of Comprehensive Income</b>			
<b>Income from:</b>			
- Generating funds	2,542,311	7,108,865	9,651,176
- Charitable activities	8,620,667	(6,687,210)	1,933,457
	11,162,978	421,655	11,584,633
- AIC CST Grant	170,482	25,909	196,391
- MOH Medifund account	608,854	(213,108)	395,746
		(187,199)	
Net surplus (deficit) for the year:			
Restricted fund:			
- MOH Medifund account	(608,854)	608,854	-
	=====	=====	=====

**25. Columnar presentation of statement of financial position**

A large majority of the assets and liabilities are attributable to the Accumulated Fund. All the assets of the other funds are represented by cash and plant and equipment balances. Accordingly, the Charity did not adopt a columnar presentation of its assets, liabilities and funds in the Statement of Financial Position as it was not meaningful.

**26. Changes and adoption of new and revised standards**

The adoption of these accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Charity has adopted all the new and amended standards which are relevant to the Charity and are effective for annual financial periods beginning on or after 1 April 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Charity.

**Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies***

The Charity has adopted the amendments to FRS 1 Presentation of Financial Statements for the first time in the current year. The amendments change the requirements in FRS 1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in FRS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Charity has applied materiality guidance in FRS Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

**Amendments to FRS 8: *Definition of Accounting Estimates***

The Charity has adopted the amendments to FRS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'. The definition of a change in accounting estimates was deleted.

**26. Changes and adoption of new and revised standards**

*Amendments to FRS 8: Definition of Accounting Estimates (cont'd)*

However, the concept of changes in accounting estimates was retained in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error; and
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

**27. New standards and interpretations not yet adopted**

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Committee and these will only be effective for future reporting years. 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. Those applicable to the Charity for future reporting years are listed below.

**27. New standards and interpretations not yet adopted (cont'd)**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to FRS 116 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Executive Committee expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.