

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 2025

GRACE LODGE

(UEN: S88SS0120C)

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

FINANCIAL STATEMENTS - 31 MARCH 2025

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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 40 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 2025 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



Yeo Yam How
Honorary Treasurer



Toh Seng Poh
Honorary Secretary

22 SEP 2025

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF GRACE LODGE****2****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 2025, 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 2025 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.

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

22 September 2025

GRACE LODGE

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

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	Note	2025 S\$	2024 S\$
ASSETS			
Non-current asset			
Property, plant and equipment	5	2,721,792	4,769,574
Current assets			
Trade and other receivables	6	1,860,493	2,805,672
Prepayments		44,961	15,989
Cash and cash equivalents	7	8,930,282	7,699,725
		10,835,736	10,521,386
Total assets		13,557,528	15,290,960
		=====	=====
FUNDS AND LIABILITIES			
Funds			
Unrestricted funds:			
Accumulated fund		9,532,631	8,268,668
Restricted funds:			
Financial assistance scheme	13	21,700	-
Ministry of Health (MOH) Medifund account	13	26,195	1,375,849
Agency for Integrated Care - Community Silver Trust ("AIC CST") grant	13	169,818	342,009
Total funds		9,750,344	9,986,526
Non-current liabilities			
Deferred capital grant	9	168,962	170,859
Lease liability	12(b)	-	2,216,465
		168,962	2,387,324
Current liabilities			
Deferred capital grant	9	99,924	60,867
Trade and other payables	10	1,205,315	639,267
Patients' deposits	11	116,518	113,633
Lease liability	12(b)	2,216,465	2,103,343
		3,638,222	2,917,110
Net current assets		7,197,514	7,604,276
Total liabilities		3,807,184	5,304,434
Net assets		9,750,344	9,986,526
Total funds and liabilities		13,557,528	15,290,960
		=====	=====

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

GRACE LODGE

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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		2025				2025	2024
		Unrestricted	Restricted			Total	Total
		fund	funds			funds	funds
	Note	Accumulated	AIC CST	MOH	Financial		
		fund	grant	Medifund	assistance		
		S\$	S\$	account	scheme	S\$	S\$
INCOME							
Voluntary income	14	130,072	-	-	-	130,072	201,508
Income from generating funds	15	11,612,848	-	387,748	21,700	12,022,296	10,959,173
Income from charitable activities	16	2,681,033	-	(1,737,402)	-	943,631	3,001,906
Other income	17	162,790	-	-	-	162,790	46,516
Total income		14,586,743	-	(1,349,654)	21,700	13,258,789	14,209,103
Less: EXPENDITURES							
Cost of generating voluntary income:							
Administrative charges for on-line donation		1,360	-	-	-	1,360	1,269
Governance cost:							
Audit fee		25,000	-	-	-	25,000	27,000
License fee		40,352	22,421	-	-	62,773	142,656
Professional fee		14,188	-	-	-	14,188	59,684
Total governance cost		79,540	22,421	-	-	101,961	229,340

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

GRACE LODGE

STATEMENT OF COMPREHENSIVE INCOME (cont'd_2)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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	Note	2025				2025	2024
		Unrestricted	Restricted			Total	Total
		fund	funds			funds	funds
		Accumulated	AIC CST	MOH	Financial		
		fund	grant	Medifund	assistance		
		S\$	S\$	account	scheme	S\$	S\$
Cost of generating funds:							
Staff costs	18	7,460,123	-	-	-	7,460,123	7,029,994
Catering services		501,414	-	-	-	501,414	507,253
Cleaning services		338,763	-	-	-	338,763	315,465
Consumable/surgical items							
- non-standard		122,328	-	-	-	122,328	113,042
- standard		107,068	-	-	-	107,068	100,358
Daily meals refreshment and cooking expenses		43,849	-	-	-	43,849	51,065
Laboratory, X-ray expenses		30,865	-	-	-	30,865	16,700
Laundry services		157,636	-	-	-	157,636	154,883
Medical and surgical supplies		45,951	-	-	-	45,951	38,771
Other consumables (diapers)		337,156	-	-	-	337,156	181,364
Oxygen supply expenses		4,515	-	-	-	4,515	4,715
Recreation and activities		23,214	-	-	-	23,214	13,930
Staff expenses		80,937	-	-	-	80,937	51,767
Tube fees/health supplements		216,628	-	-	-	216,628	202,369
Total cost of generating funds		9,470,447	-	-	-	9,470,447	8,781,676

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

GRACE LODGE

STATEMENT OF COMPREHENSIVE INCOME (cont'd_3)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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	Note	2025				2025	2024
		Unrestricted	Restricted			Total	Total
		fund	funds			funds	funds
		Accumulated	AIC CST	MOH	Financial		
		fund	grant	Medifund	assistance		
		S\$	S\$	account	scheme	S\$	S\$
				S\$	S\$		
Cost of charitable activities:							
Locum fee		39,962	-	-	-	39,962	39,770
Nursing care service		22,440	-	-	-	22,440	26,950
Pharmacy and medical fees		149,380	-	-	-	149,380	120,380
Physiotherapy services		97,985	-	-	-	97,985	107,503
Total cost of charitable activities		309,767	-	-	-	309,767	294,603
Other expenses:							
Bad debts written off		4,267	-	-	-	4,267	-
Bank charges		1,053	-	-	-	1,053	1,254
Depreciation of plant and equipment	5	2,296,383	78,723	-	-	2,375,106	2,366,471
Gas, water and electricity		266,504	-	-	-	266,504	299,564
Insurance		50,986	-	-	-	50,986	35,986
Interest expense on lease liabilities		176,657	-	-	-	176,657	284,005
Maintenance and services		45,622	-	-	-	45,622	35,174
Management fee		96,000	-	-	-	96,000	96,000
Plant and equipment written off		7,052	-	-	-	7,052	1,780
Sub-total of other expenses		2,944,524	78,723	-	-	3,023,247	3,120,234

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

GRACE LODGE

STATEMENT OF COMPREHENSIVE INCOME (cont'd_4)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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	2025				2025	2024
	Unrestricted	Restricted			Total	Total
	fund	funds			funds	funds
	Accumulated	AIC CST	MOH	Financial		
	fund	grant	Medifund	assistance		
	S\$	S\$	account	scheme	S\$	S\$
Other expenses (cont'd):						
Postage and stamps	506	-	-	-	506	1,018
Printing and stationery	12,335	-	-	-	12,335	14,673
Recruitment expenses	11,689	-	-	-	11,689	7,343
Sundry expenses	52,263	68,317	-	-	120,580	40,165
Small assets	46,898	2,730	-	-	49,628	10,388
Staff training and course fees	15,770	-	-	-	15,770	5,647
Telephone charges	3,000	-	-	-	3,000	3,000
Upkeep of motor vehicles	11,179	-	-	-	11,179	9,519
Unclaimable GST expenses	363,502	-	-	-	363,502	291,168
Total other expenses	3,461,666	149,770	-	-	3,611,436	3,503,155
Total expenditures	13,322,780	172,191	-	-	13,494,971	12,810,043
Net surplus (deficit) for the year	1,263,963	(172,191)	(1,349,654)	21,700	(236,182)	1,399,060
	=====	=====	=====	=====	=====	=====

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

GRACE LODGE

**STATEMENT OF COMPREHENSIVE INCOME (cont'd_5)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**

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	Unrestricted fund	Restricted funds			Total
	Accumulated fund S\$	AIC CST grant S\$	MOH Medifund grant S\$	Financial assistance scheme S\$	S\$
Balance as at 1 April 2023	7,902,724	140,493	544,249	-	8,587,466
Net surplus for the year	365,944	201,516	831,600		1,399,060
Balance as at 31 March 2024	8,268,668	342,009	1,375,849	-	9,986,526
Net surplus (deficit) for the year	1,263,963	(172,191)	(1,349,654)	21,700	(236,182)
Balance as at 31 March 2025	9,532,631	169,818	26,195	21,700	9,750,344
	=====	=====	=====	=====	=====

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

GRACE LODGE

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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	Note	2025 S\$	2024 S\$
Cash flows from operating activities			
Net surplus for the year		1,263,963	365,944
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	5	2,375,106	2,366,471
Interest expense on lease liability		176,657	284,005
Fixed deposits interest income	17	(20,959)	-
Property, plant and equipment written off		7,052	1,780
Deferred capital grant amortisation	9	(109,880)	(60,867)
Operating cash flow before working capital changes		3,691,939	2,957,333
<u>Changes in working capital:</u>			
Trade and other receivables		966,138	(1,116,616)
Prepayments		(28,972)	16,622
Trade and other payables		566,048	(1,210,615)
Patients' deposits		2,885	(1,000)
Deferred capital grant		147,040	26,482
Net cash from operating activities		5,345,078	672,206
Cash flows from investing activities			
Purchase of plant and equipment	5	(334,376)	(43,695)
Placement of fixed deposits		(2,000,000)	-
Net cash used in investing activities		(2,334,376)	(43,695)
Cash flows from financing activities			
Repayment of lease liabilities		(2,103,343)	(1,995,995)
Interest paid		(176,657)	(284,005)
Net cash used in financing activities		(2,280,000)	(2,280,000)
Net increase (decrease) in cash and cash equivalents		730,702	(1,651,489)
Cash and cash equivalents at beginning of year		5,981,867	7,633,356
Cash and cash equivalents at end of year	7	6,712,569	5,981,867

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

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 2025 were authorised for issue by the Executive Committee on 22 September 2025.

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

The material accounting policy information below have been applied consistently with those of previous financial years, except as explained in Note 25, which addresses changes in material accounting policies.

3. Material accounting policy information (cont'd)**3.1 Property, plant and equipment**

All items of property, 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>
Computer equipment	3 years
Equipment	3 - 10 years
Furniture and fittings	3 - 10 years
Hospital bed	5 years
Motor vehicles	10 years
Rehabilitative equipment	3 years
Renovations	10 years
Right-of-use assets	Over lease term

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period following the Charity's consideration of the asset condition, wear-and-tear, technology changes and expected use taking into account climate-related strategy. The effect of any changes in estimate is accounted for on a prospective basis.

The carrying values of property, 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 property, plant and equipment is derecognised upon disposal or when no future economic benefits to arise from the continued use of asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

At each reporting date, the Charity reviews the carrying amounts of its property, plant and equipment determined that there is no indication that those assets have suffered an impairment loss.

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

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. 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.

3. Material accounting policy information (cont'd)

3.3 Financial instruments (cont'd)

Classification of financial assets

The Charity classifies its financial assets based on the Charity's model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

Financial assets (comprising cash and cash equivalents, trade and other receivables) are subsequently measured at amortised cost as they are held within a business model whose objective is to collect the contractual cash flows which are solely payments of principal and interest on the principal amount outstanding ("SPPI").

Impairment of financial assets

The Charity recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The Charity has established a ECL provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay. Details about the Charity's credit risk management and impairment policies are disclosed in Note 21(a).

Derecognition of financial assets

The Charity 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 entity.

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.

3. Material accounting policy information (cont'd)**3.3 Financial instruments (cont'd)****Financial liabilities and equity (cont'd)****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. 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.

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:

3. Material accounting policy information (cont'd)

3.4 Fair value measurement (cont'd)

- 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.

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and fixed deposits that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, restricted cash are excluded.

3.6 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.

3.7 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.

3. Material accounting policy information (cont'd)

3.7 Government grants (cont'd)

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3.8 Employee benefits

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Charity pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Charity has no further payment obligations once the contributions have been paid.

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.

3.9 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.

3. Material accounting policy information (cont'd)

3.9 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.

3.10 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.

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.

3. Material accounting policy information (cont'd)

3.10 Funds (cont'd)

Accumulated Fund (cont'd)

- (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.
- (c) Financial Assistance Scheme (FAS) 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 FAS committee. The fund is placed in a designated bank account solely for this purpose and is designated for permanent residents.

3.11 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.

3.12 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.

The Charity 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.

3. Material accounting policy information (cont'd)**3.12 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 the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 Judgements made in applying accounting policies

Management is of opinion that there are no critical judgements, apart from those involving estimations reported in Note 4.2, that has made in the process of applying the Chairty's material accounting policies that have the most significant effect on the amounts reported in the financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other 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 are related to the following areas and further explained below.

(a) Expected credit loss on trade and other receivables

When measuring ECL, the Charity uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The carrying amount of trade and other receivables are disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

5. Property, plant and equipment

	Furniture and fittings S\$	Computer equipment S\$	Equipment S\$	Motor vehicles S\$	Renovation S\$	Rehabilitative equipment S\$	Hospital bed S\$	Right-of-use assets S\$	Total S\$
2025									
Cost									
At 1 April 2024	61,833	269,279	1,567,583	178,015	383,039	-	-	6,315,803	8,775,552
Addition	56,875	39,891	26,538	-	-	203,000	8,072	-	334,376
Write-off	-	(2,070)	(37,720)	-	-	-	-	-	(39,790)
At 31 March 2025	118,708	307,100	1,556,401	178,015	383,039	203,000	8,072	6,315,803	9,070,138
Accumulated depreciation									
At 1 April 2024	49,528	185,719	1,292,494	178,015	194,954	-	-	2,105,268	4,005,978
Charge for the year	12,840	55,913	125,897	-	38,387	36,653	148	2,105,268	2,375,106
Write-off	-	(2,070)	(30,668)	-	-	-	-	-	(32,738)
At 31 March 2025	62,368	239,562	1,387,723	178,015	233,341	36,653	148	4,210,536	6,348,346
Net carrying amount									
At 31 March 2025	56,340	67,538	168,678	-	149,698	166,347	7,924	2,105,267	2,721,792

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

	Furniture and fittings S\$	Computer equipment S\$	Equipment S\$	Motor vehicles S\$	Renovations S\$	Right-of-use assets S\$	Total S\$
2024							
Cost							
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	61,833	269,279	1,567,583	178,015	383,039	6,315,803	8,775,552
Accumulated depreciation							
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	49,528	185,719	1,292,494	178,015	194,954	2,105,268	4,005,978
Net carrying amount							
At 31 March 2024	12,305	83,560	275,089	-	188,085	4,210,535	4,769,574
	=====	=====	=====	=====	=====	=====	=====

During the financial year, the Charity acquired property, plant and equipment with an aggregate cost of S\$334,376 (2024: S\$6,359,498) of which S\$Nil (2024: S\$6,315,803) was acquired by means of leases related to right-of-use assets and cash payment of S\$334,376 (2024: S\$43,695).

Details of leased assets are disclosed in Note 12.

6. Trade and other receivables

	2025 S\$	2024 S\$
Trade:		
- Resident patients	215,951	1,590,339
Government grant receivables:		
- Community Care Salary Enhancement (CCSE)	-	540,772
- Intermediate and long-term care subvention	1,415,607	454,596
- Rental subvention	149,808	149,801
- GST subvention	58,168	70,164
Other receivables:	1,839,534	2,805,672
Interest receivable on fixed deposits	20,959	-
	1,860,493	2,805,672
	=====	=====

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 and other receivables are mainly from patients secured by admission deposits and subsidy receivables from the government agencies. These receivables are considered to have low credit risk as these 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, the loss allowance is measured at an amount equal to 12-month ECL. No loss allowance is deemed necessary.

Other receivables

Interest receivables on fixed deposits are maintained with creditworthy financial institutions and are subject to an immaterial credit loss.

7. Cash and cash equivalents

	2025 S\$	2024 S\$
Cash at banks	6,929,347	7,698,070
Cash on hand	935	1,655
Fixed deposits	2,000,000	-
	<u>8,930,282</u>	<u>7,699,725</u>
	=====	=====

During the financial year, the Charity placed fixed deposits with maturities of less than six months from the end of the reporting period. These deposits earn interest at fixed rates of 2.0% per annum.

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

	2025 S\$	2024 S\$
Cash and bank balances (as above)	8,930,282	7,699,725
Less: Restricted cash (Note 13)		
- AIC CST grant	(169,818)	(342,009)
- MOH Medifund grant	(26,195)	(1,375,849)
- Financial assistance scheme	(21,700)	-
Placement of fixed deposits more than 3 months	(2,000,000)	-
	<u>6,712,569</u>	<u>5,981,867</u>
	=====	=====

8. Government grants

	2025 S\$	2024 S\$
Grant from MOH:		
- Patient subvention income grant (Note 16)	10,642,238	7,862,620
- Rental subvention grant	598,781	605,618
	<u>11,241,019</u>	<u>8,468,238</u>
- Community Care Salary Enhancement grant (CCSE) ⁽¹⁾	321,829	1,361,691
- MediFund grant	387,748	831,600
- Financial assistance scheme	21,700	-
	<u>11,972,296</u>	<u>10,661,529</u>

8. Government grants (cont'd)

	2025 S\$	2024 S\$
Grant from Agency for Integrated Care (AIC):		
- Community Silver Trust (CST) grant	-	291,869
- Other grants	50,000	5,775
	<u>50,000</u>	<u>297,644</u>
	<u>12,022,296</u>	<u>10,959,173</u>
	=====	=====

(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

	2025 S\$	2024 S\$
(a) Renovation work Dementia Ward:		
At 1 April	129,418	160,575
Grant utilisation of funds for the year	(31,157)	(31,157)
At 31 March	<u>98,261</u>	<u>129,418</u>
(b) Upgrading work at General Ward:		
At 1 April	102,308	105,536
Grants received during the year	147,040	26,482
Grant utilisation of funds for the year	(78,723)	(29,710)
At 31 March	<u>170,625</u>	<u>102,308</u>
	<u>268,886</u>	<u>231,726</u>
	=====	=====
Analysed as:		
Current	99,924	60,867
Non-current	168,962	170,859
	<u>268,886</u>	<u>231,726</u>
	=====	=====

9. Deferred capital grant (cont'd)

The deferred capital grant comprises of:

(a) Renovation work at Dementia Ward

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

(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

	2025	2024
	S\$	S\$
Trade payables:		
- Non-related parties	316,756	164,268
Other payables:		
Amounts due to a related party	783,650	404,647
Accruals	25,000	25,000
Patients own fund held on behalf	40,000	-
Financial liabilities	1,165,406	593,915
GST payables	39,909	45,352
	1,205,315	639,267
	=====	=====

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

	2025 S\$	2024 S\$
Patients' deposits	116,518 =====	113,633 =====

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 liability

The Charity leases nursing home and office premises from its related party for its operations. The Charity is restricted from assigning and subleasing the leased assets.

(a) Right-of-use assets

The carrying amounts of right-of-use assets classified within property, plant and equipment are as follows:

	Nursing home and Office premises S\$
As at 1 April 2023	-
Additions	6,315,803
Depreciation	(2,105,268)
As at 31 March 2024	4,210,535
Depreciation charge for the year	(2,105,268)
As at 31 March 2025	2,105,267 =====

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.

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

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

The carrying amounts of lease liability is as follows:

	2025 S\$	2024 S\$
Lease liability for:		
- Nursing home and office premises	2,216,465 =====	4,319,808 =====
Analysed:		
Current	2,216,465	2,103,343
Non-current	-	2,216,465
	<u>2,216,465</u> =====	<u>4,319,808</u> =====

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 (2024: 5.25%). The Charity does not face a significant liquidity risk with regard to its lease liabilities.

(c) Amount recognised in profit and loss

	2025 S\$	2024 S\$
Depreciation of right-of-use assets	2,105,268	2,105,268
Interest expense on lease liability	175,657	284,005
	<u>2,280,925</u> =====	<u>2,389,273</u> =====

(d) Total cash outflows

The Charity had total cash outflows for leases of S\$2,280,000 (2024: S\$2,280,000).

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

The table below details changes in the Charity's liability arising from financing activities. Liability 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 April 2024	Cash flows			Non-cash changes	31 March 2025
		Additions	Payment of principal	Payment of interest	Accretion of interest	
Lease liability	4,319,808	-	(2,103,343)	(176,657)	176,657	2,216,465

(In S\$)	1 April 2023	Cash flows			Non-cash changes	31 March 2024
		Additions	Payment of principal	Payment of interest	Accretion of interest	
Lease liability	-	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

	2025 S\$	2024 S\$
At 1 April	342,009	140,493
Grants received during the year	-	291,869
Grants utilised during the year	(172,191)	(90,353)
	<u>169,818</u>	<u>342,009</u>
At 31 March	=====	=====

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.

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

	2025 S\$	2024 S\$
At 1 April	1,375,849	544,249
Grants received during the year (Note 15)	387,748	831,600
Grants utilised during the year	(1,737,402)	-
	<u>26,195</u>	<u>1,375,849</u>
At 31 March	=====	=====

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.

13. Restricted funds (cont'd)**(c) Financial assistance scheme**

	2025 S\$	2024 S\$
At 1 April	-	-
Grant received during the year (Note 15)	21,700	-
At 31 March	21,700	-
	=====	=====

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

14. Voluntary Income

	2025 S\$	2024 S\$
Tax-exempt donations received	105,851	179,066
Donations received	24,221	22,442
	130,072	201,508
	=====	=====

15. Income from Generating Funds

	2025 S\$	2024 S\$
<u>Unrestricted</u>		
Received from MOH:		
- Recurrent grant subsidy	10,642,238	7,862,620
- Rental subvention	598,781	605,618
- Community Care Salary Enhancement	321,829	1,361,691
	11,562,848	9,829,929
Received from Agency for Integrated Care (AIC):		
- Other grants	50,000	5,775
	11,612,848	9,835,704
<u>Restricted</u>		
- AIC Community Silver Trust (CST) grant (Note 13 (a))	-	291,869
- MOH Medifund (Note 13 (b))	387,748	831,600
- Financial assistance scheme (Note 13 (c))	21,700	-
	409,448	1,123,469
	12,022,296	10,959,173
	=====	=====

16. Income from Charitable Activities

	2025 S\$	2024 S\$
Revenue from patients and related income	13,393,817	10,895,042
Less: Patients' subsidies		
- Recurrent grant subsidy	10,642,238	7,688,828
- ILTC subvention	27,908	48,013
- Waiver	42,638	156,295
	(10,712,784)	(7,893,136)
Grants utilised during the year (Note 13(b))	(1,737,402)	-
	<u>943,631</u>	<u>3,001,906</u>
	=====	=====

17. Other income

	2025 S\$	2024 S\$
Wage credit scheme	67,468	5,390
MOH fund revenue - others	56,548	31,157
Fixed Deposit Interest Income	20,959	-
Sundry income	17,815	9,969
	<u>162,790</u>	<u>46,516</u>
	=====	=====

18. Staff costs

	2025 S\$	2024 S\$
<u>Unrestricted</u>		
Salaries	4,248,318	3,999,634
Bonus	1,038,219	1,055,674
CPF contribution, SDL and FWL	1,316,595	1,284,320
Other short-term employee benefits	856,991	690,366
	<u>7,460,123</u>	<u>7,029,994</u>
	=====	=====
 Total number of employees	 163	 148
	=====	=====

18. Staff costs (cont'd)

	2025 S\$	2024 S\$
Number of staffs in remuneration band:		
S\$200,001 and above	1	1
S\$100,001 - S\$200,000	2	5
S\$50,001 - S\$100,000	20	20
S\$50,000 and below	140	122
	=====	=====

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:

Services rendered:

	2025 S\$	2024 S\$
Rental of office premises, water and electricity charged by a related party	2,546,504	2,579,564
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 2025 and 2024.

Other key personnel compensation:

Compensation of management employees mentioned above are included in the staff costs as follows:

	2025 S\$	2024 S\$
Salaries	385,500	350,864
Bonus	115,786	117,047
CPF contribution, SDL and FWL	33,622	35,840
Other short-term employee benefits	5,160	9,456
	=====	=====
	540,068	513,207
	=====	=====

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:

	2025 S\$	2024 S\$
<u>Financial assets</u>		
Financial assets at amortised cost:		
Trade and other receivables	1,860,493	2,805,672
Cash and cash equivalents	8,930,282	7,699,725
	<u>10,790,775</u>	<u>10,505,397</u>
	=====	=====
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Trade and other payables	1,165,406	593,915
Patients' deposits	116,518	113,633
Lease liability	2,216,465	4,319,808
	<u>3,498,389</u>	<u>5,027,356</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.

21. Financial risk management (cont'd)**(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 receivables and cash and bank balances. The Charity minimises credit risk by dealing only with high credit quality counterparties.

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.

The Charity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. 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 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 which could affect debtors' ability to pay.

The Charity considers a financial asset in default when contractual payments are 60 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.

Cash and cash equivalents are held with highly reputable financial institutions and is subject to immaterial credit loss.

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

	1 year or less S\$	2 to 5 years S\$	Total S\$
<u>2025</u>			
Trade and payables	1,165,406	-	1,165,406
Patients' deposits	116,518	-	116,518
Lease liability	2,280,000	-	2,280,000
	<u>3,561,924</u>	<u>-</u>	<u>3,561,924</u>
	=====	=====	=====
<u>2024</u>			
Trade and payables	593,915	-	593,915
Patients' deposits	113,633	-	113,633
Lease liability	2,280,000	2,280,000	4,560,000
	<u>2,987,548</u>	<u>2,280,000</u>	<u>5,267,548</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 liability is disclosed in Note 12(b).

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 2024.

The Charity is not subject to any externally imposed capital requirements for the financial years ended 31 March 2025 and 2024, respectively.

24. 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 cash equivalents and property, plant and equipment. 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.

25. Adoption of new and revised standards

In the current year, the Charity have applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after 1 April 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

The Charity has adopted the amendments to FRS 1, published in May 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

26. 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.

The Charity has not adopted the following standards applicable to the Charity that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 and FRS 107 Financial Instruments: Disclosure: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to FRSs Volume 11	1 January 2026
FRS 118 Presentation and Disclosure in Financial Statements Illustrative Examples	1 January 2027

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.