

FINANCIAL STATEMENTS

31 March 2026

LING KWANG HOME FOR SENIOR CITIZENS

Unique Entity Number: T08SS0070F

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GENERAL INFORMATION

For the financial year ended 31 March 2026

Ling Kwang Home For Senior Citizens (the "Home") is a society registered with the Registrar of Societies under the Societies Act 1966 and Commissioner of Charities under the Charities Act 1994. The Home has been granted status as an Institution of Public Character ("IPC") under the Charities Act. The status had been renewed for a period of 4 years from 1 February 2026 to 31 January 2030.

Unique Entity Number: T08SS0070F

Registered Office: 156 Serangoon Garden Way, Singapore 556055

Executive Committee:	Mr Lam Kwok Chong	Honorary Chairman
	Mr Lionel Toh Lai Yong (Lionel Zhuo Liyong) (Resigned as Honorary Treasurer on 23 Jul 2025)	Honorary Vice-Chairman
	Mr Ang Hong Woo Albert @ Ang Phong Woo (Resigned on 23 Jul 2025)	Honorary Vice-Chairman
	Mr Chua Chye Thuan Jeffrey (Appointed on 23 Jul 2025)	Honorary Treasurer
	Mr Yeo Chien Boon, Kelvin (Yang Jianwen, Kelvin)	Honorary Assistant Treasurer
	Mr Foo Thiam Fong Wellington	Honorary Secretary
	Mr Kenny Khoo Ming Sang	Honorary Assistant Secretary
	Mr Tan Chong Hoe	Committee Member
	Dr Tan Shuhui, Sara	Committee Member
	Mr Clarence Cheum Chee Leong	Committee Member
	Ms Tan Keng Leng (Chen Jingling) (Appointed on 23 Jul 2025)	Committee Member
	Dr Chuah Bingfeng Matthew (Appointed on 23 Jul 2025)	Committee Member
Key Officers:	Mr Joshua Chegne	Chief Executive Officer
	Mr Hudson Teh (Resigned on 6 Oct 2025)	Chief Financial Officer & Head of Technology
	Ms Joyce Ng	Director of Nursing & Allied Health
	Ms Mary Khoo-Kwek	Head, Human Capital & Community Partnerships
	Mr James Lee	Head, Operations Support
Bankers:	Bank of Singapore	
	CIMB Bank Berhad	
	DBS Bank Ltd	
	Malayan Banking Berhad	
	Oversea-Chinese Banking Corporation Ltd	
	Standard Chartered Bank	
	United Overseas Bank Ltd	
Auditor:	P G Wee Partnership LLP	
	Chartered Accountants of Singapore	
	111 Somerset Road #13-33	
	Singapore 238164	
	Tel: 6220 8858	

STATEMENT BY EXECUTIVE COMMITTEE

For the financial year ended 31 March 2026

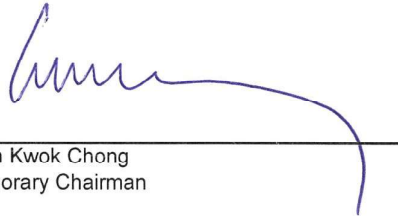
The Executive Committee presents their report to the members together with the audited financial statements of Ling Kwang Home For Senior Citizens (the "Home") for the year ended 31 March 2026.

Opinion of the Executive Committee

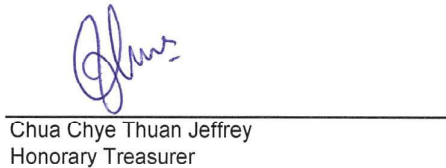
In the opinion of the Executive Committee, the financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Home as at 31 March 2026 and of the financial performance, changes in funds and statement of cash flows of the Home for the year ended on that date in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations"), and Singapore Financial Reporting Standards ("SFRSs").

The Executive Committee approved and authorised these financial statements for issue.

On Behalf of the Executive Committee,



Lam Kwok Chong
Honorary Chairman



Chua Chye Thuan Jeffrey
Honorary Treasurer

2 July 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Ling Kwang Home For Senior Citizens

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ling Kwang Home For Senior Citizens (the "Home"), which comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the 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"), Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations"), and Singapore Financial Reporting Standards ("SFRSs") so as to present fairly, in all material respects, the state of affairs of the Home as at 31 March 2026 and the results, changes in funds and cash flows of the Home for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Home in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Executive Committee is responsible for the other information. The other information comprise the Statement by Executive Committee set out on page 2.

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 report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ling Kwang Home For Senior Citizens

Responsibilities of Executive Committee for the Financial Statements

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 SFRSSs, and for such internal control as 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, Executive Committee is responsible for assessing the Home'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 Home or to cease operations, or has no realistic alternative but to do so.

The Executive Committee's responsibilities include overseeing the Home'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 risk 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 Home'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 Home'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 Home to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

To the Members of Ling Kwang Home For Senior Citizens

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee 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:

- a. The accounting and other records required to be kept by the Home have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- b. There was no fund-raising event held by the Home during the financial year ended 31 March 2026.

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

- a. the Home has not used the donation moneys in accordance with its objectives as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. The Home has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Chiam Shiaw Ping.



P G Wee Partnership LLP
Public Accountants and
Chartered Accountants
Singapore

2 July 2026

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2026

	Note	2026 SGD	2025 SGD
INCOME			
<i>From Ministry of Health ("MOH"):</i>			
MOH subvention		14,484,079	11,965,109
		<u>14,484,079</u>	<u>11,965,109</u>
<i>From government grants:</i>			
Community Silver Trust Fund ("CST")		1,238,457	673,369
Community Care Salary Enhancement Grant ("CCSE")		-	665,953
Grant from Cultural Matching Fund ("CMF")		181,719	250,000
Agency for Integrated Care ("AIC") and other grants		127,467	262,942
		<u>1,547,643</u>	<u>1,852,264</u>
<i>From donations and fund raising:</i>			
Restricted donations		7,850	17,044
Unrestricted donations		772,733	1,046,659
	5	<u>780,583</u>	<u>1,063,703</u>
<i>From others:</i>			
Programme fees		4,302,715	3,817,623
Interest income	6	834,181	906,382
Sundry income	7	98,670	108,750
		<u>5,235,566</u>	<u>4,832,755</u>
Total income		<u>22,047,871</u>	<u>19,713,831</u>
EXPENDITURE			
Charitable activities	8	2,686,622	2,074,599
Depreciation expense	9	1,729,618	1,550,365
Finance costs	10	128,065	162,838
Employee benefits expense	11	13,436,192	12,606,032
Other operating expenses	12	2,651,836	2,105,243
Total expenditures		<u>20,632,333</u>	<u>18,499,077</u>
Surplus for the year		<u>1,415,538</u>	<u>1,214,754</u>
Other Comprehensive Income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value (loss) gain on investment securities		(254,902)	25,580
Surplus for the year, representing total comprehensive income for the year		<u>1,160,636</u>	<u>1,240,334</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	2026 SGD	2025 SGD
Assets			
Non-current assets			
Property, plant and equipment	14	9,576,883	5,069,984
Right-of-use assets	16	1,898,031	2,508,702
Investment securities	15	15,335,396	15,100,273
Total non-current assets		<u>26,810,310</u>	<u>22,678,959</u>
Current assets			
Inventories	17	76,341	53,372
Trade and other receivables	18	1,366,997	1,277,901
Other assets	19	549,731	384,193
Cash and cash equivalents	20	14,329,954	17,200,611
Total current assets		<u>16,323,023</u>	<u>18,916,077</u>
Total assets		<u>43,133,333</u>	<u>41,595,036</u>
Funds and reserves			
Accumulated fund		31,663,139	30,247,601
Fair value reserve	25	(499,031)	(244,129)
Total funds and reserves		<u>31,164,108</u>	<u>30,003,472</u>
Non-current liabilities			
Lease liabilities	16	1,421,262	2,080,476
Total non-current liabilities		<u>1,421,262</u>	<u>2,080,476</u>
Current liabilities			
Trade and other payables	21	3,148,368	3,301,695
Other liabilities	22	2,374,455	2,398,581
Deferred income	23	4,334,494	3,165,595
Lease liabilities	16	690,646	645,217
Total current liabilities		<u>10,547,963</u>	<u>9,511,088</u>
Total liabilities		<u>11,969,225</u>	<u>11,591,564</u>
Total liabilities, funds and reserves		<u>43,133,333</u>	<u>41,595,036</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN FUND

For the financial year ended 31 March 2026

	Accumulated fund SGD	Fair value reserve SGD	Total SGD
Opening Balance at 1 April 2025	30,247,601	(244,129)	30,003,472
Surplus for the year	1,415,538	-	1,415,538
Other Comprehensive Income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value loss on investment securities	-	(254,902)	(254,902)
Total comprehensive income (loss) for the year	1,415,538	(254,902)	1,160,636
Closing Balance at 31 March 2026	31,663,139	(499,031)	31,164,108
Opening Balance at 1 April 2024	29,032,847	(269,709)	28,763,138
Surplus for the year	1,214,754	-	1,214,754
Other Comprehensive Income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain on investment securities	-	25,580	25,580
Total comprehensive income for the year	1,214,754	25,580	1,240,334
Closing Balance at 31 March 2025	30,247,601	(244,129)	30,003,472

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2026

	Note	2026 SGD	2025 SGD
Cash Flows From Operating Activities			
Surplus for the year		1,415,538	1,214,754
<i>Adjustments for:</i>			
Interest income	6	(834,181)	(906,382)
Depreciation of property, plant and equipment	14	1,085,373	816,709
Depreciation of right-of-use assets	16	644,245	733,656
Interest expense	10	128,065	162,838
Provision for expected credit losses		80,049	54,884
Loss on disposal of plant and equipment		1,476	10,840
Loss on redemption of investment		124,485	-
Operating surplus before working capital changes		<u>2,645,050</u>	<u>2,087,299</u>
Changes in Working Capital			
Inventories		(22,969)	11,909
Trade and other receivables		(154,584)	(254,133)
Trade and other payables		(153,327)	896,834
Other assets		(165,538)	15,050
Other liabilities		72,834	92,366
Deferred income		1,168,899	1,124,326
Cash flow generated from operations		<u>3,390,365</u>	<u>3,973,651</u>
Interest received		101,580	203,689
Net cash flows generated from operating activities		<u>3,491,945</u>	<u>4,177,340</u>
Cash Flows From Investing Activities			
Interest received		718,040	591,006
Purchase of plant and equipment		(5,594,244)	(3,295,114)
Proceed from sales of plant and equipment		496	1,478
Purchase of investment securities		(7,614,510)	(591,006)
Redemption of investment securities		7,000,000	-
Net cash flows used in investing activities		<u>(5,490,218)</u>	<u>(3,293,636)</u>
Cash Flows From Financing Activities			
Payment for medifund account		(96,960)	66,183
Interest paid		(128,065)	(162,838)
Payment of principal portion of lease liabilities	16	(647,359)	(706,905)
Net cash flows used in financing activities		<u>(872,384)</u>	<u>(803,560)</u>
Net (decrease) increase in cash and cash equivalents		(2,870,657)	80,144
Transfer from (to) restricted cash		94,784	(82,515)
Cash and cash equivalents at beginning of year		15,456,097	15,458,468
Cash and cash equivalents at end of year	20	<u>12,680,224</u>	<u>15,456,097</u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2026

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

1. General Information

Ling Kwang Home For Senior Citizens (the "Home") is a society registered with the Registrar of Societies under the Societies Act 1966 and Commissioner of Charities under the Charities Act 1994. The Home has been granted status as an Institution of Public Character (IPC) under the Charities Act. The status had been renewed for a period of 4 years from 1 February 2026 to 31 January 2030.

The registered office and principal place of business of the Home is located at 156 Serangoon Garden Way, Singapore 556055.

Principal activities and objectives are to:

- (a) provide shelter and holistic care to the aged sick as a Nursing Home under the Ministry of Health (MOH).
- (b) provide day care services for the elderly.
- (c) do all such other things as are incidental or conducive to the attainment of the abovementioned objects.

These financial statements for the year ended 31 March 2026 were approved and authorised for issue by Executive Committee on the date shown on the Statement by Executive Committee.

2. Material Accounting Policy Information

2.1 Basis of Preparation

The financial statements of the Home have been prepared in accordance with the Singapore Charities Act 1994 (the "Charities Act") and Singapore Financial Reporting Standards ("SFRSs").

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with SFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on Executive Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 or respective notes, where disclosed.

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Home has adopted all the new and revised standards which are relevant to the Home and are effective for annual financial periods beginning on or after 1 April 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Home.

2.2 Funds

Accumulated Fund

Income and expenditure relating to the main activities of the Home are accounted for through the statement of comprehensive income and the net income transferred to accumulated fund.

Fair value reserve

Fair value reserve represents the cumulative fair value changes of debt securities at fair value through other comprehensive income until they are disposed of or impaired.

2.3 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Home operates ("the functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the Home's functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

2.4 Income Recognition

Income is measured based on the consideration to which the Home expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Home satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Income includes government subvention, donations, programme fees, daycare collections, interest income and sundry income.

(a) Government subvention

Government subvention is recognised in the profit and loss when the right to receive is established when the services are performed. Government subvention may be adjusted subsequently when the Government has reviewed and finalised the subvention paid and payable to the Home.

Grants from the Government to meet the Home's operating expenses are recognised as income to match the related operating expenditure. Grants from the Government are recognised as receivable when there is reasonable assurance that the grant will be received and the Home will comply with all the attaching conditions.

(b) Donations

Donations are accounted for on an accrual basis when monies are received or pledged and collection is certain. Donations are accounted for as income when received, except for committed donations that are recorded when the commitments are fulfilled.

(c) Programme fees and Daycare collection

Programme fees and daycare collection are recognised at the date of commencement when services are rendered/consumed.

(d) Interest Income

Interest income from fixed deposits and debt securities is accrued on a time apportion basis using the effective interest method.

(e) Sundry income

Sundry income is recognised on accrued basis.

2.5 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

2.6 Deferred income

Deferred income represents deferred donations and government grants related to Community Silver Trust ("CST") programme, Agency for Integrated Care ("AIC") staff accommodation enhancement, Healthcare Productivity Fund ("HPF"), Inter Resident Assessment Instrument ("InterRAI") fund and donations which were received in advance. They will be recognised in income statement when commitments are fulfilled and the matching expenses were incurred.

2.7 Retirement Benefit Costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as the Central Provident Fund which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

2.8 Leases

The Home 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.

(a) As lessee

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

(b) Right-of-use assets

The Home 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.

If ownership of the leased asset transfers to the Home 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 Home's right-of-use assets are disclosed in Note 16 to the financial statements.

(c) Lease liabilities

At the commencement date of the lease, the Home 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 Home and payments of penalties for terminating the lease, if the lease term reflects the Home 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 Home 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 Home's lease liabilities are disclosed in Note 16 to the financial statements.

(d) Short-term leases

The Home has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less. The Home recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.9 Income Taxes

The Home is a tax-exempted institution under the Section 13(1)(zm) of the Income Tax Act 1947.

2.10 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other operating income/ expenses in the statement of comprehensive income.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Home and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Motor vehicles	-	7 years
Equipment	-	5 years
Computers	-	3 years
Building related and other assets	-	5 to 7 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at end of each reporting year.

No depreciation is made on work in progress until such time as the relevant assets are completed and are ready for their intended use.

An item of property, 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 de-recognition of the asset is included in income and expenditure in the year the asset is derecognised.

Fully depreciated assets are retained in the accounts until they are no longer in use.

2.11 Impairment of Non-Financial Assets

The Home assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment assessment for an asset is required, the Home 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses of continuing operations 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 be recognised previously. Such reversal is recognised in profit or loss.

2.12 Inventories

Inventories consisting of consumables are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.13 Financial Instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Home measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Home's business model for managing the assets and the contractual cash flow characteristics of the assets. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in other comprehensive income when the assets are derecognised or impaired, and through the amortisation process.

The Home has debt instruments at FVOCI.

Impairment of financial assets

The Home recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

The Home recognises loss allowance for ECLs on :

- financial assets measured at amortised cost ('cash and cash equivalents' and 'trade and other receivables');
- debt securities

Loss allowance of the Home are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Home applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Home applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Home assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Home considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Home's historical experience and informed credit assessment that includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Home assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Home considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Home in full, without recourse by the Home to actions such as realising security (if any is held); or
- the financial asset remains outstanding beyond management's expected range of past due days taking into consideration past payment trends and macroeconomic conditions.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Home is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Home expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Home assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as default; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowance are charged to profit or loss and recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Home determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Home becomes a party to the contractual provisions of the financial instrument. The Home determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.14 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash balances and bank deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Provisions

Provisions are recognised when the Home 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.

2.16 Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Significant accounting judgements and estimates

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Judgements made in Applying Accounting Policies

Executive Committee is of the opinion that there are no significant judgements made in applying the Home's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Inventory Valuation Method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Home's inventories as at 31 March 2026 was SGD 76,341 (2025: SGD 53,372). If the future expected realisable value was lower by 10% of its carrying amount, the carrying amount of the Home's inventories would have been SGD 7,634 lower (2025: SGD 5,337 lower).

Useful Lives of Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Executive Committee anticipates the useful lives of these property, plant and equipment to be within 3 to 7 years. The carrying amount of the Home's property, plant and equipment at 31 March 2026 are disclosed in Note 14 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Home uses a provision matrix to calculate ECLs for trade receivables. The rate is initially based on the Home's historical observed default rates. The Home will calibrate the rate to adjust historical credit loss experience with forward-looking information. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances of forecast of economic conditions. The Home's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Home's trade receivables is disclosed in Note 18 to the financial statements.

The carrying amount of the Home's trade receivables as at 31 March 2026 was SGD 110,917 (2025: SGD 206,128).

Determination of Lease Term of Contracts with Extension Options

The Home determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Home has several lease contracts that include extension options. The Home applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Home reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

4. Related Party Relationships and Transactions

For the purpose of financial statements, parties are considered to be related to the Home if the Home has the ability, directly, or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Home and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

It is not the normal practice for Executive Committee or people connected with them, to receive remuneration, or other benefits from the Home for which they are responsible, or from institutions connected with the Home except that the Chief Executive Officer and the direct reporting senior officers have employment relationships with the Home and have received remuneration in these capacities.

The Executive Committee Members and Key Management Personnel are required to disclose any interest that they may have, whether directly or indirectly, with any organisations which the Home has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Home's supplier, rendering or receiving of services or beneficiary.

Should there be any potential conflict of interest, the affected committee member may not vote on the issue that was the subject matter of the disclosure.

Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

No Board member receives remuneration for their services on the Board.

The Home has a documented set of Human Resource policies in place. No paid staff is allowed to set his or her own remuneration.

During the financial year, the home employed 245 staff.

There is no paid staff, being a close member of the family of the key management personnel or Executive Committee, who has received remuneration exceeding SGD 50,000 during the reporting year.

4.1 Compensation of key management personnel:

	2026 SGD	2025 SGD
Salaries and other short-term employee benefits	837,006	832,861

Key management personnel comprise the chief executive officer and the senior officers. The breakdown of the number of key management personnel and the respective remuneration band are as follows:

	2026 SGD	2025 SGD
Salary between SGD 100,001 to SGD 200,000	4	4
Salary between SGD 200,001 to SGD 300,000	1	1
Total	5	5

5. Donations

	2026 SGD	2025 SGD
Tax exempt	642,365	906,172
Non-tax exempt	138,218	157,531
	780,583	1,063,703

6. Interest Income

	2026 SGD	2025 SGD
Interest from fixed deposits	116,141	315,376
Interest from debt securities	718,040	591,006
	834,181	906,382

7. Sundry Income

	2026 SGD	2025 SGD
Rebate on investment securities	31,054	44,084
Others	67,616	64,666
	98,670	108,750

8. Charitable Activities

	2026 SGD	2025 SGD
Charities dollars	166,717	174,201
Food and beverages	987,149	618,882
Integrated Home and Day Care expenses	182,400	182,400
Pharmaceuticals, drugs and diapers	1,015,439	849,630
Professional fee - medical	281,949	213,775
Residents expenses	52,968	35,711
	2,686,622	2,074,599

9. Depreciation Expense

	2026	2025
	SGD	SGD
Depreciation of property, plant and equipment (Note 14)	1,085,373	816,709
Depreciation of right-of-use assets (Note 16)	644,245	733,656
	<u>1,729,618</u>	<u>1,550,365</u>

10. Finance Costs

	2026	2025
	SGD	SGD
Interest on lease liabilities (Note 16)	<u>128,065</u>	<u>162,838</u>

11. Employee Benefits Expenses

	2026	2025
	SGD	SGD
Salaries, bonuses and allowances	10,986,796	10,085,597
CPF contribution, skills development levy and foreign worker levy	2,030,765	2,050,415
Staff welfare	211,265	261,542
Provision for unutilised leave	2,693	19,230
Insurance	204,673	189,248
	<u>13,436,192</u>	<u>12,606,032</u>

12. Other Operating Expenses

	2026	2025
	SGD	SGD
Loss on disposal of plant and equipment	1,476	10,840
Loss on redemption of investment	124,485	-
GST not claimable	709,775	467,895
Housekeeping supplies	197,912	146,839
Insurance	48,981	52,449
Provision for expected credit losses ("ECL")	80,049	54,884
Repair and maintenance	687,434	657,625
Small assets expensed off	164,632	95,974
Utilities	403,871	426,493
Others	233,221	192,244
	<u>2,651,836</u>	<u>2,105,243</u>

13. Income Tax Benefit (Expense)

As an exempt charity under the Charities Act 1994, the Home is exempt from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

14. Property, Plant and Equipment

	Building related assets SGD	Motor vehicles SGD	Computers SGD	Equipment SGD	Work in progress # SGD	Total SGD
Cost						
At 1.4.2024	6,805,135	241,302	1,112,104	2,339,232	683,365	11,181,138
Additions	62,606	1,693	243,363	221,968	2,765,484	3,295,114
Disposals	(33,010)	-	(4,578)	(114,365)	-	(151,953)
Reclassification	549,904	-	-	2,050	(551,954)	-
At 31.3.2025 and 1.4.2025	7,384,635	242,995	1,350,889	2,448,885	2,896,895	14,324,299
Additions	42,200	11,086	62,327	591,947	4,907,053	5,614,613
Disposals	(31,660)	(5,865)	(34,309)	(258,841)	-	(330,675)
Reclassification	2,610,693	-	2,456	205,604	(2,839,122)	(20,369)
At 31.3.2026	10,005,868	248,216	1,381,363	2,987,595	4,964,826	19,587,868
Accumulated Depreciation						
At 1.4.2024	5,749,914	213,569	824,372	1,789,386	-	8,577,241
Depreciation for the year	378,036	13,987	214,399	210,287	-	816,709
Disposals	(33,010)	-	(4,578)	(102,047)	-	(139,635)
At 31.3.2025 and 1.4.2025	6,094,940	227,556	1,034,193	1,897,626	-	9,254,315
Depreciation for the year	615,785	15,207	177,586	276,795	-	1,085,373
Disposals	(31,660)	(5,865)	(34,309)	(256,869)	-	(328,703)
At 31.3.2026	6,679,065	236,898	1,177,470	1,917,552	-	10,010,985
Net carrying value						
At 31.3.2026	3,326,803	11,318	203,893	1,070,043	4,964,826	9,576,883
At 31.3.2025	1,289,695	15,439	316,696	551,259	2,896,895	5,069,984

Work in progress during the year relates largely to:

- (i) refurbishment works on the older part of premises;
- (ii) a software system for the Home's nursing management and an Enterprise Resource Planning ("ERP") software suite.

15. Investment Securities

	2026 SGD	2025 SGD
At fair value through other comprehensive income:		
Debt securities	15,335,396	15,100,273

	2026 SGD	2025 SGD
<u>Movement for investment securities at FVOCI</u>		
Beginning of the year	15,100,273	14,483,687
Additions during the year	7,614,510	591,006
Redemption during the year	(7,000,000)	-
Loss on redemption of investment	(124,485)	-
Fair value gain (loss) recognised in other comprehensive income	(254,902)	25,580
End of the year	<u>15,335,396</u>	<u>15,100,273</u>

The debt securities consist of:

- i) investment in United SGD Fund (the Fund) which is an open-ended unit trust constituted in Singapore with no fixed maturity and capital recognition is upon redemption.
- ii) funds managed by fund managers.

The fair value movement on the Fund, based on the market value on the last market day of the financial year has been recognised through other comprehensive income.

The focus of the Fund is to invest substantially all its assets in money market and short term interest bearing debt securities and bank deposits with the objective of achieving a yield enhancement over Singapore dollar deposits.

16. Right-of-Use Assets and Lease Liabilities

Home as a lessee

The Home has lease contracts for properties and office equipment. The Home's obligations under these leases are secured by the lessor's title to the leased assets. The Home is restricted from assigning and subleasing the leased assets. There are lease contracts that include extension option which are further discussed below.

During the financial year, the Home modified an existing lease contract at revised lease payments and derecognition of the expired lease. As this revision is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets and the corresponding remeasurement to lease liability.

- (a) Carrying amount of right-of-use assets

	Leasehold property SGD	Office equipment SGD	Total SGD
At 1.4.2024	3,211,127	31,231	3,242,358
Depreciation	(726,161)	(7,495)	(733,656)
At 31.3.2025 and 1.4.2025	<u>2,484,966</u>	<u>23,736</u>	<u>2,508,702</u>
Addition	-	6,981	6,981
Modification	26,593	-	26,593
Depreciation	(635,199)	(9,046)	(644,245)
At 31.3.2026	<u>1,876,360</u>	<u>21,671</u>	<u>1,898,031</u>

(b) Lease liabilities

	2026 SGD	2025 SGD
At 1 April	2,725,693	3,432,598
Addition	6,981	-
Modification	26,593	-
Accretion	128,065	162,838
Payment	(775,424)	(869,743)
At 31 March	<u>2,111,908</u>	<u>2,725,693</u>
Non-current liabilities	1,421,262	2,080,476
Current liabilities	<u>690,646</u>	<u>645,217</u>
	<u>2,111,908</u>	<u>2,725,693</u>

The maturity analysis of lease liabilities is disclosed in Note 26.

A reconciliation of liabilities arising from financing activities is as follows

	1 April 2025 SGD	Cash flows SGD	Accretion of interests SGD	Non-cash changes			Others SGD	31 March 2026 SGD
				Additions SGD	Modification SGD			
Liabilities								
Lease liabilities								
- Current	645,217	(775,424)	128,065	-	-		692,788	690,646
- Non-current	2,080,476	-	-	6,981	26,593	(692,788)		1,421,262
	2,725,693	(775,424)	128,065	6,981	26,593	-		2,111,908

	1 April 2024 SGD	Cash flows SGD	Accretion of interests SGD	Non-cash changes			Others SGD	31 March 2025 SGD
				Additions SGD	Modification SGD			
Liabilities								
Lease liabilities								
- Current	706,905	(869,743)	162,838	-	-	645,217		645,217
- Non-current	2,725,693	-	-	-	-	(645,217)		2,080,476
	3,432,598	(869,743)	162,838	-	-	-		2,725,693

The "other" column relates to reclassification of non-current portion of lease liabilities due to passage of time of SGD 692,788 (2025: SGD 645,217) .

(c) Amount recognised in statement of comprehensive income

	2026 SGD	2025 SGD
Depreciation of right-of-use assets (Note 9)	644,245	733,656
Interest on lease liabilities (Note 10)	128,065	162,838
	<u>772,310</u>	<u>896,494</u>

(d) Total cash outflow

The Home had total cash outflows for leases of SGD 775,424 (2025: SGD 869,743).

(e) Extension option

The Home leases land and building for its nursing home from Singapore Land Authority. The leases are partially funded by the Ministry of Health, and is typically run for a period of 3 years. The leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Home has lease contracts that include extension options. These options are exercisable by the Home up to 10 months before the end of the non-cancellable contract period. Where practicable, the Home seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Home and not by the lessors. The Home assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Home reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

17. Inventories

	2026 SGD	2025 SGD
Consumables	<u>76,341</u>	<u>53,372</u>
Statement of comprehensive income		
- Inventories recognised as an expense in cost of supplies	<u>1,015,439</u>	<u>849,630</u>

18. Trade and Other Receivables

	2026 SGD	2025 SGD
Programme fees in arrears	312,193	377,107
Less: Provision for expected credit losses	<u>(201,276)</u>	<u>(170,979)</u>
	110,917	206,128
Amount due from MOH	1,240,233	955,722
Interest receivables	14,561	111,687
Other receivables	<u>1,286</u>	<u>4,364</u>
	<u>1,366,997</u>	<u>1,277,901</u>

Programme fees in arrears are unpaid programme fees which are normally settled on a 30-days credit term.

Amount due from MOH represent funds to be received from MOH. These comprise Community Care Salary Enhancement ("CCSE"), government subvention grants, Integrated Home and Day Care ("IHDC") and others.

Programme fees beyond credit period are considered past due and are analysed to determine whether provision for expected credit losses or write off will be made based on past default experience and financial ability of the debtor.

Expected credit losses ("ECL")

The Home measured the impairment loss allowance using the Lifetime ECL (simplified) approach in FRS 109 and determined that the ECL as follows:

	2026 SGD	2025 SGD
At beginning of the year	170,979	116,095
Provision for the year	80,049	54,884
Written off during the year	(49,752)	-
At end of the year	201,276	170,979

19. Other Assets

	2026 SGD	2025 SGD
Deposits	240,480	246,487
Prepayments	309,251	137,706
	549,731	384,193

20. Cash and Cash Equivalents

	2026 SGD	2025 SGD
Cash in hand and cash at bank	10,769,633	6,363,005
Fixed deposits	3,560,321	10,837,606
	14,329,954	17,200,611
Monies held in trust (Note 22)	(957,716)	(912,968)
Monies received on behalf of Medifund account (Note 22)	(688,025)	(784,985)
Monies received for Financial Assistance Scheme ("FAS") (Note 22)	(3,989)	(46,561)
Cash and cash equivalents in statement of cash flows	12,680,224	15,456,097

Fixed deposits are placed with financial institutions and mature within 3 to 18 months (2025: 3 to 18 months) from year end. The interest rates are 0.5% to 2% (2025: 0.30% to 3.25%) per annum.

21. Trade and Other Payables

	2026 SGD	2025 SGD
Trade payables	583,088	1,172,850
GST payables	43,117	51,134
Accruals	176,816	127,405
Other payables	130,423	790
Provision for bonus	1,704,436	1,402,441
Provision for unutilised leave	199,133	196,439
CPF payable	198,201	245,717
Foreign worker levy payable	113,154	104,919
	3,148,368	3,301,695

Trade payables are non-interest-bearing and are normally settled on 30 days' credit terms.

22. Other Liabilities

	2026 SGD	2025 SGD
Deposit received	205,214	188,398
Financial assistance scheme ("FAS")	3,989	46,561
Advance programme fees	245,705	252,359
Residents' money under custody	273,806	213,310
Residents' funds held in trust	957,716	912,968
Medifund account	688,025	784,985
	<u>2,374,455</u>	<u>2,398,581</u>

The Medifund Account is a grant from the Medical Endowment Fund (the "MEF") which is set up by the Government under the Medical and Elderly Care Endowment Schemes Act 2000. The Medical Endowment Fund is established to assist needy Singaporeans to pay for their medical care. MOH implemented the expansion of Financial Assistance Scheme ("FAS") on 1 September 2023 to needy Singapore Permanent Residents to pay for their medical care who are on the Medical Fee Exemption Card ("MFEC") and fulfilled the eligibility criteria. The income generated by the MEF is disbursed as grants to Medifund Committees to defray in whole or in part the programme fees, outpatient healthcare, and other expenses incurred by residents/clients of approved institutions who are unable to pay such fees, charges, or other expenses.

The balance of the Medifund Account at end of the year represents excess grants received from MEF which will be returned or will be used against future claims.

23. Deferred income

	2026 SGD	2025 SGD
Community Silver Trust ("CST") ^(a)	1,947,528	1,852,022
Healthcare Productivity Fund ("HPF") ^(b)	3,847	19,818
Inter Resident Assessment Instrument ("InterRAI") fund ^(c)	59,000	59,000
Nursing Home Pre-Operation Fund ^(d)	900,235	-
Restricted fund from donation ^(e)	1,423,884	1,234,755
	<u>4,334,494</u>	<u>3,165,595</u>

(a) Community Silver Trust ("CST")

	2026 SGD	2025 SGD
Deferred income brought forward	1,852,022	898,130
Grant received	1,333,963	1,664,423
Expenditure/Utilisation	(1,238,457)	(695,387)
Refund	-	(15,144)
Deferred income carried forward	<u>1,947,528</u>	<u>1,852,022</u>

CST in deferred income relates to a programme where the income is to be utilised for the next 5 years in accordance with the Agency for Integrated Care's guidelines.

The CST provides a dollar-for-dollar donation matching grant to enhance the services of Social Service Agencies in the Intermediate and Long-term Care sector.

(b) Healthcare Productivity Fund ("HPF")

	2026 SGD	2025 SGD
Deferred income brought forward	19,818	35,789
Expenditure/Utilisation	(15,971)	(15,971)
Deferred income carried forward	<u>3,847</u>	<u>19,818</u>

HPF in deferred income relates to grant received from AIC for quality and productivity improvement efforts of the Home through technology adoption, process streamlining and demand aggregation of products and services.

The grant received is capitalised in deferred income and utilised through amortisation corresponding to the plant and equipment's useful life.

(c) Inter Resident Assessment Instrument ("InterRAI") fund

	2026 SGD	2025 SGD
Deferred income brought forward	59,000	-
Grant received	-	59,000
Deferred income carried forward	<u>59,000</u>	<u>59,000</u>

InterRAI fund in deferred income relates to grant received from AIC for a suite of care assessment tools that helps to ensure that more patients are placed into the right care settings, by identifying risk factors and supporting the creation of personalised care plans that promotes optimal outcomes for clients.

(d) Nursing Home Pre-Operation Fund

	2026 SGD	2025 SGD
Deferred income brought forward	-	-
Grant received	919,500	-
Expenditure/Utilisation	(19,265)	-
Deferred income carried forward	<u>900,235</u>	<u>-</u>

The pre-operation fund in deferred income relates to funding to support the manpower and other operating expenditure for ramping up the additional 50 licensed beds, commencing from the date of operation and ending four months from the date of operation.

(e) Restricted fund from donation

	2026 SGD	2025 SGD
Deferred income brought forward	1,234,755	1,107,350
Restricted fund received	203,040	151,327
Expenditure/Utilisation	(17,263)	(23,922)
Reclassification	3,352	-
Deferred income carried forward	<u>1,423,884</u>	<u>1,234,755</u>

Restricted fund from donation in deferred income relates to fund received from donors for:

	2026 SGD	2025 SGD
A&A Plus project		
Deferred income brought forward	658,679	551,950
Restricted fund received	102,370	105,939
Reclassification	-	790
Deferred income carried forward	<u>761,049</u>	<u>658,679</u>

Donations received from A&A plus campaigns are fund designated for refurbishment works on the older part of premises.

	2026 SGD	2025 SGD
Clean & Bright		
Deferred income brought forward	16,666	22,566
Expenditure/Utilisation	<u>(8,237)</u>	<u>(5,900)</u>
Deferred income carried forward	<u>8,429</u>	<u>16,666</u>

Donations received from Clean & Bright campaigns are fund designated for cleaning and maintenance of the Home.

	2026 SGD	2025 SGD
Charity Dollars		
Deferred income brought forward	229,174	184,064
Restricted fund received	-	45,110
Deferred income carried forward	<u>229,174</u>	<u>229,174</u>

Donations received from Charity Dollars campaigns are fund designated to provide financial assistance to residents in need.

	2026 SGD	2025 SGD
Thanksgiving		
Deferred income brought forward	<u>21,412</u>	<u>21,412</u>
Deferred income carried forward	<u>21,412</u>	<u>21,412</u>

Donations received from Thanksgiving campaigns are fund designated for thanksgiving event and activities for healthcare staffs.

	2026 SGD	2025 SGD
MCCY		
Deferred income brought forward	<u>292,338</u>	<u>292,338</u>
Deferred income carried forward	<u>292,338</u>	<u>292,338</u>

Donation received from MCCY campaigns are fund designated for future building enhancement of the home premises and for celebration or anniversary events.

	2026 SGD	2025 SGD
Others		
Deferred income brought forward	16,486	35,020
Restricted fund received	100,670	278
Expenditure/Utilisation	(9,026)	(18,022)
Reclassification	3,352	(790)
Deferred income carried forward	111,482	16,486
Total restricted fund from donation	1,423,884	1,234,755

24. Capital Commitments and Contingencies

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2026 SGD	2025 SGD
Addition and alteration works	2,263,713	8,040,325

25. Fair Value Reserves

Fair value reserve represents the cumulative fair value changes of debt securities at fair value through other comprehensive income until they are disposed of or impaired.

26. Financial Management Risk Objectives and Policies

The main risks from the Home's financial instruments are market risk, interest rate risk, liquidity risk and credit risk. The policies for managing each of these risks are summarised below.

Market Risk

Market risk is the risk that changes in market prices, such as interest rate risk, foreign currency risk and market price risk will affect the Home's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Home's financial instruments will fluctuate due to changes in market prices. At 31 March 2026, the Home is exposed to changes in market price arising from its investment in debt instruments classified as financial assets at fair value through other comprehensive income.

Interest Rate Risk

The Home's exposure to interest rate risk arises primarily from their fixed deposits. All of the Home's financial assets and liabilities at floating rate are contractually repriced at intervals of less than 18 months (2025: less than 18 months) from the end of the reporting year.

The Home does not expect any significant effect on the Home's profit or loss arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the financial year.

Sensitivity Analysis for Interest Rate Risk

The following carrying amounts of interest-bearing fixed deposits of the Home that are exposed to interest rate risk:

	2026 SGD	2025 SGD
Fixed deposits	3,560,321	10,837,606

At the reporting date, if the interest rates had been 50 (2025: 50) basis points higher/lower with all other variables held constant, the Home's profit before tax would have been SGD 17,802 (2025: SGD 54,188) higher/lower, arising mainly as a result of higher/lower interest income/expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Liquidity Risk

Liquidity risk refers to the risk that the Home will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Home's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Home's operations are financed mainly through government grants. The Executive Committee is satisfied that funds are available to finance the operations of the Home.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	2026				2025			
	Carrying amount SGD	contractual cash flow SGD	Total		Carrying amount SGD	contractual cash flow SGD	Total	
				1 year or less SGD	2 to 5 years SGD		1 year or less SGD	2 to 5 years SGD
<i>Financial liabilities</i>								
Trade and other payables [#]	3,105,251	3,105,251	3,105,251	3,105,251	-	3,250,561	3,250,561	-
Other liabilities ^{##}	2,128,750	2,128,750	2,128,750	2,128,750	-	2,146,222	2,146,222	-
Lease liabilities	2,111,908	2,281,770	785,064	785,064	1,496,706	3,020,956	772,944	2,248,012
	7,345,909	7,515,771	6,019,065	6,019,065	1,496,706	8,417,739	6,169,727	2,248,012

Excludes GST payables

Excludes advance programme fees

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Home. The Home's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Home minimises credit risk by dealing exclusively with high credit rating counterparties.

The Home has adopted procedures in monitoring collections and default of payments from residents. In addition, receivables balances are monitored on an ongoing basis with the result that the Home's exposure to bad debts is not significant. Hence, the Home does not expect to incur material credit losses. Cash and fixed deposits are placed with reputable and regulated financial institutions.

The Home has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Home has developed and maintained the Home's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Home's own trading records to rate its major customers and other debtors. The Home considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Home and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Home determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Home categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Definition of Category	Basis for Recognising Expected Credit Loss (ECL)
i	Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
ii	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
iii	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL - credit impaired
iv	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the Home's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
31 March 2026						
Programme fees in arrears	18	Note 1	Lifetime ECL (Simplified)	312,193	(201,276)	110,917
Other receivables	18	Note 2	12 month	1,256,080	-	1,256,080
Deposits	19	Note 2	12 month	240,480	-	240,480
					<u>(201,276)</u>	
31 March 2025						
Programme fees in arrears	18	Note 1	Lifetime ECL (Simplified)	377,107	(170,979)	206,128
Other receivables	18	Note 2	12 month	1,071,773	-	1,071,773
Deposits	19	Note 2	12 month	246,487	-	246,487
					<u>(170,979)</u>	

Programme fees in arrears (Note 1)

The Home has applied the simplified approach to providing for impairment for ECLs prescribed by FRS 109, which permits the use of the lifetime expected loss provision for impairment of programme fees in arrears. To measure the ECLs, programme fees in arrears have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward looking information.

The credit quality of the credit risk exposure for the Home is as follows :

	Programme fees in arrears					
	Days past due					
	Not past due SGD	31-60 days SGD	61- 90 days SGD	91- 120 days SGD	> 120 days SGD	Total SGD
31 March 2026						
ECL rate	0.00%	1.19%	1.58%	33.16%	99.18%	
Estimated total gross carrying amount at default	46,421	16,894	44,877	2,958	201,043	312,193
ECL - credit impaired	-	(201)	(709)	(981)	(199,385)	<u>(201,276)</u>
						<u>110,917</u>
31 March 2025						
ECL rate	0.00%	0.00%	0.00%	0.00%	68.48%	
Estimated total gross carrying amount at default	56,644	34,729	19,908	16,159	249,667	377,107
ECL - credit impaired	-	-	-	-	(170,979)	<u>(170,979)</u>
						<u>206,128</u>

Information regarding loss allowance movement of programme fees in arrears is disclosed in Note 18.

Exposure to credit risk

At the end of the reporting period, the Home's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. The Home has credit policies and procedures in place to minimise and mitigate credit risk exposures.

Other receivables (Note 2)

The Home assesses on a forward-looking basis the expected credit losses associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Home considers that the credit risk of these counter parties have not increased. The amount on the ECL allowance for other receivables was insignificant.

27. Fair Value of Financial Assets and Financial Liabilities

(a) The Home categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Home can access at the measurement date
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Financial assets at FVOCI are categorised under Level 1 which is based on quoted prices in active market for identical instruments that the Home can access at the measurement date.

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

	Fair value measurements at the reporting date using			Total SGD
	Quoted prices in active markets for identical instruments (Level 1) SGD	Significant observable inputs other than quoted prices (Level 2) SGD	Significant unobservable inputs (Level 3) SGD	
2026				
Financial assets:				
At fair value through other comprehensive income - debt securities (Note 15)	15,335,396	-	-	15,335,396
Financial assets as at 31 March 2026	15,335,396	-	-	15,335,396
2025				
Financial assets:				
At fair value through other comprehensive income - debt securities (Note 15)	15,100,273	-	-	15,100,273
Financial assets as at 31 March 2025	15,100,273	-	-	15,100,273

(c) Assets and liabilities not measured at fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents

The carrying amount of these balances approximate their fair values due to the short-term nature of these balances.

Receivables and payables

The carrying amount of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Lease liabilities

The carrying amounts of lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

28. Classification of Financial Assets and Liabilities

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

	2026 SGD	2025 SGD
Financial assets at fair value through other comprehensive income	15,335,396	15,100,273
Financial assets at amortised cost	15,937,431	18,724,999
Financial liabilities at amortised cost	7,345,909	8,122,476

29. Fund Management and Reserve Policy

The Home actively and regularly reviews and manages its funds to ensure optimal structure taking into consideration the future fund requirements of the Home, projected operating cash flows and projected capital expenditures.

The Home's reserve policy is to retain at least one year of its preceding annual operating expenditure as stated in its audited financial statements.

The Executive Committee closely monitors the reserves of the Home and the placement of surplus funds in fixed deposits with financial institutions.

The Home does not have any borrowings and is not subject to externally imposed capital requirements.

30. Standards Issued but not yet Effective

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 April 2025 and earlier application is permitted. However, the Home has not early adopted the new or amended accounting standards in preparing these financial statements.

FRS 118 Presentation and Disclosure in Financial Statements

FRS 118 will replace FRS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Home is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Home's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Home is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

Other accounting standards

The following amendments to FRSs are not expected to have a significant impact on the Home's financial statements.

- Amendments to FRS 21: Lack of Exchangeability
- Classification and Measurement of Financial Instruments (Amendments to FRS 109 and FRS 107)
- Annual Improvements to FRSs - Volume 11
- FRS 119: Subsidiaries without Public Accountability: Disclosures