Financial Statements

SASCO Senior Citizens' Home

31 December 2023

Contents

HOME INFORMATION

Home registration number:	S89CC0702G
Registered office:	991 ALEXANDRA ROAD, #01-04, Singapore 119964
Management committee:	Farihullah s/o Abdul Wahab Safiullah (Chairman) Tan Leng Joo Bernard (Secretary) Iskander Bin Abdul Kabis (Treasurer) (appointed 4 Sept 2023) Abdul Kalam Azad s/o Savukat Ally (Member) (resigned on 27 Dec 2023) John s/o Raghavan (Member) Subramaniam s/o Krishnan (Member) Lakhbir Gill (Member) Jignesh s/o Surendra Ramanlal (Member) Daryl Han Keen Siew (Member) Subramaniam s/o Chinnayya (Member) (appointed 5 Sept 2023) Chua Tian Teck (Member) (appointed 5 Sept 2023) Hussain Bin Yunos (Treasurer) (resigned on 30 Aug 2023)
Secretary:	Tan Leng Joo Bernard
Banker:	United Overseas Bank Limited Maybank Singapore Limited BNP Paribas, Singapore Branch
Independent auditor:	Foo Kon Tan LLP Public Accountants and Chartered Accountants 1 Raffles Place One Raffles Place Tower 2 #04-61/62 Singapore 048616

Statement by the Management Committee
for the financial year ended 31 December 2023

In the opinion of the Management Committee,

(a) the financial statements are drawn up in accordance with the provisions of the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to present fairly, in all material respects, the state of affairs of the SASCO Senior Citizens' Home (the "Home") as at 31 December 2023 and of the results, changes in funds and cash flows of the Home for the financial year ended;

(b) at the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts when they fall due;

(c) the Home has used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;

(d) the Home has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and

(e) the accounting and other records required to be kept by the Home have been properly kept in accordance with the provisions of the Charities Act and Regulations.

On behalf of the Management Committee

....

FARIHULLAH S/O ABDUL WAHAB SAFIULLAH

....

ISKANDER BIN ABDUL KABIS

Dated: 29 April 2024

Independent auditor's report to the members of SASCO Senior Citizens' Home

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SASCO Senior Citizens' Home (the "Home"), which comprise the statement of financial position of the Home as at 31 December 2023, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Home 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 Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to present fairly, in all material respects, the state of affairs of the Home as at 31 December 2023 and of 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") 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.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Management Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Charities Act and Regulations and FRS, and for such internal control as management 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, management 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 management either intends to liquidate the Home or to cease operations, or has no realistic alternative but to do so.

The Management 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 skepticism 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 Home's internal control.

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

Independent auditor's report to the members of SASCO Senior Citizens' Home (Cont'd)

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also: (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- 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 Home have been properly kept in accordance with the provisions of 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:

(i) 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

(ii) the Home has not complied with the requirements of Regulation 15 (Fund-raising expenses limit) of the Charities (Institutions of a Public Character) Regulations.

Foo Kon Tan LLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 29 April 2024

Statement of financial position
as at 31 December 2023

	Note	**31 December 2023 $**	31 December 2022 $
ASSETS			
Non-Current Assets			
Plant and equipment	3	**1,730,047**	1,586,305
Intangible assets	4	**30,838**	67,494
Right-of-use assets	5	**576,169**	798,391
Investment properties	6	**9,368,237**	9,627,521
		11,705,291	12,079,711
Current Assets			
Receivables	7	**2,550,852**	2,659,615
Cash and cash equivalents	8	**44,575,971**	39,452,112
		47,126,823	42,111,727
Total assets		**58,832,114**	54,191,438
FUNDS AND LIABILITIES			
FUNDS			
General fund		**46,865,548**	44,402,323
Designated fund	9	**1,785,129**	2,000,000
Restricted funds	10	**5,978,425**	4,401,257
Total Funds		**54,629,102**	50,803,580
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	11	**167,039**	311,286
Provisions	12	**66,593**	70,000
		233,632	381,286
Current Liabilities			
Lease liabilities	11	**399,204**	426,899
Other payables	13	**3,570,176**	2,570,789
Tax payable		**-**	8,884
		3,969,380	3,006,572
Total liabilities		**4,203,012**	3,387,858
Total funds and liabilities		**58,832,114**	54,191,438

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities
for the financial year ended 31 December 2023

2023	Note	Unrestricted fund: General fund $	Unrestricted fund: Designated Fund (Note 9) $
Income:			
Voluntary income:			
Donations		8,116,886	-
Funding from Ministry of Social and Family Development		-	-
Funding from Ministry of Health		-	-
Agency for Integrated Care subsidy		-	-
Funding under Community Care Salary Enhancement ("CCSE") from Agency of Integrated Care		-	-
Funding under Community Silver Trust ("CST") from Agency of Integrated Care ("AIC")		-	-
Rental subvention from Ministry of Health and Ministry of Social and Family Development		-	-
Income from charitable activities:			
Income from residents		-	-
Interest income:			
Interest on fixed deposits		1,288,151	-
Other income	14	-	-
Total income		**9,405,037**	**-**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Restricted Fund				
Evergreen Place, Home@ HongSan Fund (Note 10) $	Ministry of Health ("MOH") Centre-based Services Fund (Note 10) $	Ministry of Health ("MOH") Active Ageing Centre Fund (Note 10) $	Ministry of Health ("MOH") IHDC Fund (Note 10) $	**Total** **$**
222,019	5,607	91,925	6,869	**8,443,306**
1,084,109	-	-	-	**1,084,109**
-	1,399,277	29,988	74,013	**1,503,278**
-	13,958	1,118,019	1,442,074	**2,574,051**
-	839,273	-	751,343	**1,590,616**
-	523,363	-	513,892	**1,037,255**
279,200	21,096	99,988	48,009	**448,293**
335,972	521,757	112,344	339,488	**1,309,561**
-	-	-	-	**1,288,151**
175,317	243,018	197,007	250,713	**866,055**
2,096,617	**3,567,349**	**1,649,271**	**3,426,401**	**20,144,675**

Statement of financial activities (Cont'd)

for the financial year ended 31 December 2023

2023	Note	**Unrestricted fund** General fund $	**Unrestricted fund** Designated fund (Note 9) $
Expenditures:			
Costs of charitable activities	15	2,266,246	88,490
Costs of governance activities	16	1,347	56,564
Other expenditure	17	284,784	69,817
Finance costs		-	-
Total expenditures		**2,552,557**	**214,871**
Surplus/(Deficit) before tax		**6,852,480**	**(214,871)**
Tax credit	18	8,884	-
Surplus/(Deficit) for the year		**6,861,364**	**(214,871)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Restricted Fund				
Evergreen Place, Home@ HongSan Fund (Note 10) $	Ministry of Health ("MOH") Centre-based Services Fund (Note 10) $	Ministry of Health ("MOH") Active Ageing Centre Fund (Note 10) $	Ministry of Health ("MOH") IHDC Fund (Note 10) $	**Total** **$**
3,336,820	3,698,722	1,409,439	3,364,884	**14,164,781**
22,972	72,924	12,837	108,249	**274,893**
1,045,118	784,766	425,803	832,239	**3,442,527**
6,403	4,422	7,987	4,192	**23,004**
4,411,313	**4,560,834**	**1,856,066**	**4,309,564**	**17,905,205**
(2,314,696)	**(993,485)**	**(206,795)**	**(883,163)**	**2,239,470**
-	-	-	-	**8,884**
(2,314,696)	**(993,485)**	**(206,795)**	**(883,163)**	**2,248,354**

Statement of financial activities (Cont'd)

for the financial year ended 31 December 2023

2022

			Restricted Funds
	Note	General fund $	Evergreen Place, Home @ HongSan Fund (Note 10) $
Income:			
Voluntary income:			
Donations		6,428,671	364,050
Funding from Ministry of Social and Family Development		-	1,129,385
Funding from Ministry of Health Agency for Integrated Care subsidy		-	28,852
Funding under Community Care Salary Enhancement ("CCSE") from Agency of Integrated Care		-	-
Funding under Community Silver Trust ("CST") from Agency of Integrated Care ("AIC")		-	825,536
Rental subvention from Ministry of Health and Ministry of Social and Family Development		-	283,999
Income from charitable activities:			
Income from residents		-	338,408
Interest income:			
Interest on fixed deposits		437,686	-
Other income	14	-	285,806
Total income		6,866,357	3,256,036

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Restricted Funds				
Ministry of Health ("MOH") Centre-based Services Fund (Note 10) $	Ministry of Health ("MOH") Active Ageing Centre Fund (Note 10) $	Ministry of Health ("MOH") IHDC Fund (Note 10) $	Ministry of Health ("MOH") SSL Fund (Note 10) $	Total $
8,654	71,870	9,759	84	6,883,088
-	-	-	-	1,129,385
1,032,084	141,093	-	-	1,173,177
92,363	318,510	1,447,722	14,541	1,901,988
611,597	-	292,430	-	904,027
590,990	145,858	482,897	6,390	2,051,671
28,320	62,416	73,823	1,216	449,774
446,703	94,629	309,267	(1,297)	1,187,710
-	-	-	-	437,686
225,134	174,730	218,358	2,069	906,097
3,035,845	1,009,106	2,834,256	23,003	17,024,603

Statement of financial activities (Cont'd)
for the financial year ended 31 December 2023

2022

			Restricted Funds
	Note	General fund $	Evergreen Place, Home @ HongSan Fund (Note 10) $
Expenditures:			
Costs of charitable activities	15	1,665,653	3,420,398
Costs of governance activities	16	47,356	50,734
Other expenditure	17	209,320	1,071,139
Finance costs		-	5,394
Total expenditures		1,922,329	4,547,665
Surplus/(Deficit) before tax		4,944,028	(1,291,629)
Tax expenses	18	(8,884)	-
Surplus/(Deficit) for the year		4,935,144	(1,291,629)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Restricted Funds				
Ministry of Health ("MOH") Centre-based Services Fund (Note 10)	Ministry of Health ("MOH") Active Ageing Centre Fund (Note 10)	Ministry of Health ("MOH") IHDC Fund (Note 10)	Ministry of Health ("MOH") SSL Fund (Note 10)	Total
$	$	$	$	$
3,338,351	950,900	2,971,569	28,785	12,375,656
45,925	15,073	38,770	349	198,207
642,619	360,305	580,250	5,453	2,869,086
1,472	884	1,287	12	9,049
4,028,367	1,327,162	3,591,876	34,599	15,451,998
(992,522)	(318,056)	(757,620)	(11,596)	1,572,605
-	-	-	-	(8,884)
(992,522)	(318,056)	(757,620)	(11,596)	1,563,721

Statement of changes in funds
for the financial year ended 31 December 2023

2023	Unrestricted Funds	
	General Fund $	Designated Fund (Note 9) $
At 1 January	44,402,323	2,000,000
Surplus/(Deficit) for the year, representing total comprehensive income/(loss) for the year	6,861,364	(214,871)
Transfer to restricted funds	(4,398,139)	-
Funding receipt for the year	-	-
Utilisation of restricted fund	-	
At 31 December	**46,865,548**	**1,785,129**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Restricted Funds					
Evergreen Place, Home @ HongSan Fund (Note 10)	Ministry of Health ("MOH") Centre-based Services Fund (Note 10)	Ministry of Health ("MOH") Active Ageing Centre Fund (Note 10)	Ministry of Health ("MOH") Integrated Home and Day Care ("IHDC") Fund (Note 10)	Community Silver Trust ("CST") Fund (Note 10)	**Total**
$	$	$	$	$	**$**
-	-	-	-	4,401,257	**50,803,580**
(2,314,696)	(993,485)	(206,795)	(883,163)	-	**2,248,354**
2,314,696	993,485	206,795	883,163	-	**-**
-	-	-	-	3,352,401	**3,352,401**
-	-	-	-	(1,775,233)	**(1,775,233)**
-	**-**	**-**	**-**	**5,978,425**	**54,629,102**

Statement of changes in funds (Cont'd)

for the financial year ended 31 December 2023

2022	Unrestricted Funds		Restricted Funds	
	General Fund	Designated Fund (Note 9)	Evergreen Place, Home @ HongSan Fund (Note 10)	Ministry of Health ("MOH") Centre-based Services Fund (Note 10)
	$	$	$	$
At 1 January	44,838,602	-	-	-
Surplus/(Deficit) for the year, representing total comprehensive income/(loss) for the year	4,935,144	-	(1,291,629)	(992,522)
Transfer to restricted funds	(3,371,423)	-	1,291,629	992,522
Transfer to designated fund	(2,000,000)	2,000,000	-	-
Funding receipt for the year	-	-	-	-
Utilisation of restricted fund	-	-	-	-
At 31 December	44,402,323	2,000,000	-	-

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Restricted Funds				
	Ministry of Health ("MOH") Integrated Home and Day Care ("IHDC") Fund (Note 10)	Ministry of Health ("MOH") Senior Supportive Living ("SSL") Fund (Note 10)		
Ministry of Health ("MOH") Active Ageing Centre Fund (Note 10)			Community Silver Trust ("CST") Fund (Note 10)	Total
$	$	$	$	$
-	-	-	1,932,911	46,771,513
(318,056)	(757,620)	(11,596)	-	1,563,721
318,056	757,620	11,596	-	-
-	-	-	-	-
-	-	-	4,520,017	4,520,017
-	-	-	(2,051,671)	(2,051,671)
-	-	-	4,401,257	50,803,580

Statement of cash flows

for the financial year ended 31 December 2023

	Note	**2023** **$**	2022 $
Cash Flows from Operating Activities			
Surplus before tax		**2,239,470**	1,572,605
Adjustments for:			
Plant and equipment written off	3	**1,650**	536
Depreciation of plant and equipment	3	**525,578**	422,700
Amortisation of intangible assets	4	**21,678**	19,834
Depreciation of right-of-use assets	5	**515,442**	481,765
Depreciation of investment properties	6	**191,832**	48,379
Interest income		**(1,288,151)**	(437,686)
Amortisation of deferred income	13	**(367,254)**	(15,179)
Intangible assets written off	4	**14,978**	-
Investment properties adjustment	6	**67,452**	-
Loss on termination of lease contract	5	**11,980**	-
Interest expenses		**23,004**	9,049
Amortisation of provision		**(3,407)**	-
Operating cash flows before movements in working capital		**1,954,252**	2,102,003
Changes in receivables		**295,868**	(1,037,542)
Changes in payables		**1,357,862**	522,785
Cash generated from/(used in) operations		**3,607,982**	1,587,246
Government grant received	10	**3,352,401**	4,520,017
Government grant utilised	10	**(1,775,233)**	(2,051,671)
Net cash generated from operating activities		**5,185,150**	4,055,592
Cash Flows from Investing Activities			
Acquisition of plant and equipment	3	**(670,970)**	(930,807)
Acquisition of intangible assets	4	**-**	(25,160)
Acquisition of investment properties	6	**-**	(9,675,900)
Interest received		**1,101,046**	437,686
Net cash generated from/(used in) investing activities		**430,076**	(10,194,181)
Cash Flows from Financing Activities			
Lease liabilities:			
- Principal paid	A	**(477,142)**	(472,687)
- Interest paid	A	**(14,225)**	(9,049)
Net cash used in financing activities		**(491,367)**	(481,736)
Net increase/(decrease) in cash and cash equivalents		**5,123,859**	(6,620,325)
Cash and cash equivalents at beginning of the year		**39,452,112**	46,072,437
Cash and cash equivalents at end of the year	8	**44,575,971**	39,452,112

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Note A:

The following is the disclosure of the reconciliation of items for which cash flows has been, or would be, classified as financing activities, excluding equity item:

			< ------- Cash flows --------- >		< ------------- Non-cash changes------------ >			
	Note	**As at 1 January 2023 $**	**Principal repayment $**	**Interest paid $**	**New leases $**	**Lease termination $**	**Interest expense $**	**As at 31 December 2023 $**
Lease liabilities	11	**738,185**	**(477,142)**	**(14,225)**	**315,304**	**(10,104)**	**14,225**	**566,243**

			< ------- Cash flows --------- >		< -------------- Non-cash changes------------ >			
	Note	As at 1 January 2022 $	Principal repayment $	Interest paid $	New leases $	Lease termination $	Interest expense $	As at 31 December 2022 $
Lease liabilities	11	894,494	(472,687)	(9,049)	316,378	-	9,049	738,185

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the financial statements
for the financial year ended 31 December 2023

1 General information

The Home is registered in the Republic of Singapore under the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"). The registered office is located at 991 Alexandra Road, #01-04 Singapore 119964. The principal place of business is located at No. 30 Hong San Terrace, Singapore 688246. The Home was granted the status of Institutions of Public Character ("IPC") from 7 July 2022 to 6 April 2024. Subsequently, the IPC status was renewed from 7 April 2024 to 6 December 2025.

The Home is principally engaged to provide aid and relief to a group of people who are in need or in distress, by running a Home for the Aged and to establish and run social and community projects or enterprises and such other welfare activities as may be considered necessary from time to time. There has been no significant change in the nature of these activities during the financial year.

The financial statements for the Home include the financial statement of SASCO@HongKahNorth (Hong Kah Day Care Centre), SASCO@TelokBlangah or SASCO Day Activity Centre for the Elderly (DACE), SASCO@WestCoast or Singapore Programme for Integrated Care for the Elderly (SIECC), SASCO@JurongWest, SASCO@Khatib, SASCO@Compassvale and SASCO Senior Citizens' Home (SASCO Home).

The financial statements of the SASCO Senior Citizens' Home (the "Home") for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Management Committee.

2(a) Basis of preparation

The financial statements are prepared in accordance with provisions of the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars, which is the Home's functional currency. All financial information are presented in Singapore dollars, unless otherwise stated.

2(b) Adoption of new and revised FRS effective for the current financial year

On 1 January 2023, the Home has adopted all the new and revised FRSs, interpretations ("INT FRSs") and amendments to FRSs, effective for the current financial year that are relevant to them. The adoption of these new and revised FRSs pronouncements does not result in significant changes to the Home's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

2(c) New and revised FRS in issue but not yet effective

At the date of authorisation of these financial statements, the following FRSs were issued but not yet effective which are relevant to the Home and has not early adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 1	*Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to FRS 1	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to FRS 116	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to FRS 7 and FRS 107	*Supplier Finance Arrangements*	1 January 2024
Amendments to FRS 21	*Lack of Exchangeability*	1 January 2025
Amendments to FRS 110 and FRS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be determined

The Home intend to adopt the above FRSs when they become effective.

The initial applications of the above-mentioned FRSs are not expected to have significant impacts on the financial statements of the Home.

2(d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future reporting periods affected.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

The areas involving significant judgement and critical accounting estimates and assumptions used are described below.

Significant judgements used in applying accounting policies

<u>Classification between investment properties and property, plant and equipment</u>

The Home has developed certain criteria based on FRS 40 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Home would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

<u>Determining the lease term of contracts with renewal options – Home as lessee</u>

The Home determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain 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 renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Home reassesses the lease term if 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 renew (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Home includes the renewal period as part of the lease term for office building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

Key sources of estimation uncertainty

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

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Depreciation of plant and equipment (Note 3)

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Home's estimates the useful lives of plant and equipment to be within 3 to 10 years. The carrying amount of the Home's plant and equipment as at 31 December 2023 is $1,730,047 (2022: $1,586,305). 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. If the estimated useful lives of plant and equipment increase/decrease by 10% from management's estimates, the Home's surplus for the year will decrease/increase by approximately $52,558 (2022: $42,270).

Amortisation of intangible assets (Note 4)

Intangible assets are accounted for using the cost model. The capitalised costs of these intangible assets are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these intangible assets to be within 3 to 5 years. After initial recognition, the intangible assets are carried at cost less accumulated amortisation and impairment, if any. In addition, the intangible assets are subject to impairment testing if there are any indicators of impairment, and are written off when, in the opinion of management, no further economic benefits are expected to arise. The carrying amount of the Home's intangible assets is disclosed in Note 4. In 2023, a change of 20% in the amortisation rate of these intangible assets will not lead to significant change in the amortisation expense for the year and their carrying amount at the reporting date.

Estimation of the incremental borrowing rate ("IBR") (Note 11)

For the purpose of calculating the right-of-use asset and lease liability, the Home applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the Home uses its IBR applicable to the lease asset. The IBR is the rate of interest that the Home would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Home is the lessee, the IRIIL is not readily determinable. Therefore, the Home estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as the Home's credit rating). The carrying amount of the Home's right-of-use assets and lease liabilities are disclosed in Notes 5 and 11 respectively.

An increase/decrease of 50 basis points the estimated IBR will decrease/increase the Home's right-of-use assets and lease liabilities by approximately $2,200 (2022: $4,500) respectively.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(e) Material accounting policy information

Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computers	- 3 years
Electrical equipment	- 3 years
Furniture and fittings	- 5 years
Other equipment	- 3 to 5 years
Motor vehicle	- 10 years
Renovation	- 5 years

Fully depreciated assets still in use are retained in the financial statements.

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of financial activities.

Intangible assets

<u>Intangible assets acquired separately</u>

Intangible assets acquired separately, are initially recognised at cost. Such costs include the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the assets for their intended use.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised to profit or loss using the straight-line method over 3 to 5 years, which is the shorter of their remaining estimated useful lives and periods of contractual rights.

The estimated useful lives are as follows:

Software	- 3 to 5 years

2(e) Material accounting policy information (Cont'd)

Leases

The Home as lessee

The Home assesses whether a contract is or contains a lease, at inception of the contract. The Home recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Home recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Home uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Home shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Home has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(e) Material accounting policy information (Cont'd)

Leases (Cont'd)

The Home as lessee (Cont'd)

The Home remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to Nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Home as lessor

When the Home acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Home does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

The Home recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Subsequent to initial recognition, the Home regularly reviews the estimated unguaranteed residual value and applies the impairment requirements, recognising an allowance for expected credit losses on the lease receivables.

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Whenever the Home incurs an obligation for costs to dismantle and remove a leased asset, restore the office premises on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

2(e) Material accounting policy information (Cont'd)

Right-of-use asset (Cont'd)

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office equipment	- over lease term of 5 years
Office premises	- over lease term of 2 to 5 years
Computers	- over lease term of 3 years
Reinstatement cost	- over lease term of 4 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Home expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Home applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Investment properties

Investment properties are properties which are owned or held under a freehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs, and subsequently carried at cost less accumulated depreciation and any impairment loss. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Depreciation is calculated on a straight-line basis over a period of 50 years.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

When the cost model is applied, the fair value of the investment property is disclosed at each reporting date.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(e) Material accounting policy information (Cont'd)

Investment properties (Cont'd)

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

Transfers to or from investment properties are made when there is a change in use evidenced by:

- Commencement of owner's occupation, for a transfer from investment properties to property, plant and equipment; or
- End of owner occupation, for a transfer from property, plant and equipment to investment properties.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial assets

<u>(i) Classification</u>

The Home classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income ("FVOCI"); and
- fair value through profit or loss ("FVPL").

The classification depends on the Home's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Home reclassifies investments in debt instruments when and only when its business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2(e) Material accounting policy information (Cont'd)

Financial assets (Cont'd)

(ii) Measurement

At initial recognition, the Home measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Investments in debt instruments

Investments in debt instruments mainly comprise receivables, cash and cash equivalents. There are three subsequent measurement categories, depending on the Home's business model for managing the asset and the cash flow characteristics of the asset:

- *Amortised cost*: Investments in debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest method.

- *FVOCI*: Investments in debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- *FVPL*: Investments in debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

Investments in equity instruments

The Home subsequently measures all its investments in equity instruments, including listed and unlisted equity securities, at their fair values. Such equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Home has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Home considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains or losses" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as dividend income within "other income".

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(e) Material accounting policy information (Cont'd)

Financial assets (Cont'd)

(iii) Receivables

Receivables are recognised initially at the amount of consideration that is unconditional 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 a third party, if the receivables do not contain a significant financing component. Other receivables generally arise from transactions outside the normal operating activities of the Home.

(iv) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Home commits to purchase or sell the asset.

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Home has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment of financial assets

The Home recognises a loss allowance for expected credit losses ("ECLs") on receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Home always recognises lifetime ECL for receivables from residents. The expected credit losses on these financial assets are estimated using a provision matrix based on the Home's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Home recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Home measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

2(e) Material accounting policy information (Cont'd)

Impairment of financial assets (Cont'd)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Home compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Home considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Home's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Home's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Home presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 7 days past due, unless the Home has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Home assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(e) Material accounting policy information (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

The Home considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

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

(ii) Definition of default

The Home considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the receivables which meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Home, in full (without taking into account any collaterals held by the Home).

Irrespective of the above analysis, the Home considers that default has occurred when a financial asset is more than 90 days past due unless the Home has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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

2(e) Material accounting policy information (Cont'd)

Impairment of financial assets (Cont'd)

<u>(v) Measurement and recognition of expected credit losses</u>

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Home's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Home in accordance with the contract and all the cash flows that the Home expects to receive, discounted at the original effective interest rate. For finance lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the finance lease receivable in accordance with FRS 116 Leases.

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

The Home recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments (i.e. the Home's trade and other receivables, and amounts due from customers are each assessed as a separate group, while loans to related parties are assessed for expected credit losses on an individual basis);
- past-due status;
- nature, size and industry of debtors;
- nature of collaterals for finance lease receivables; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(e) Material accounting policy information (Cont'd)

Financial liabilities

Financial liabilities are recognised when, and only when, the Home become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Home reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Home estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of financial activities for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of financial activities.

Provisions

A provision is recognised if, as a result of a past event, the Home has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2(e) Material accounting policy information (Cont'd)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Home if that person:

- (i) has control or joint control over the Home;
- (ii) has significant influence over the Home; or
- (iii) is a member of the key management personnel of the Home or of a parent of the Home.

(b) An entity is related to the Home if any of the following conditions applies:

- (i) the entity and the Home are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Home or an entity related to the Home. If the Home is itself such a plan, the sponsoring employers are also related to the Home;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Employee benefits

<u>(i) Defined contribution plans</u>

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

<u>(ii) Employee leave entitlements</u>

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

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Home. Chief Executive Officer and Management Committees are considered as key management personnel of the Home.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

2(e) Material accounting policy information (Cont'd)

Revenue recognition

Revenue is recognised when the Home satisfies a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derived benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

(i) Income from residents

Residents are charged a basic daily fee as a contribution to the provision of care and accommodation. Income from residents is recognised over time as services are provided.

(ii) Income from donations

Donations are recognised as and when the Home's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donation.

(iii) Government grants

Grants received to fund operating expenses are recognised on an accrual basis, based on the funding principles specified by Ministry of Health, Ministry of Social and Family Development, and Agency for Integrated Care.

(iv) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Government grants

Government grants are not recognised until there is reasonable assurance that the Home will comply with the conditions attached to them and the grants will be received. Government grants whose primary condition is that the Home should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to statement of financial activities on a systematic and rational basis over the useful lives of the related assets. Deferred income are recognised in statement of financial activities over the periods necessary to match the depreciation, write-off and/or impairment loss of the assets purchased with the related grants. Upon disposal of plant and equipment, the balance of the related deferred income is recognised in statement of financial activities to match the carrying amount of the plant and equipment written off.

Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Home with no future related costs are recognised in statement of financial activities in the period in which they become receivable.

2(e) Material accounting policy information (Cont'd)

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also includes fixed deposits maturing within 1 to 12 months from financial year end that form an integral part of the Home's cash management

Unrestricted funds

The Unrestricted Funds are funds which are available to be used for any of the charity's purposes.

Designated fund

The Home had allocated a portion of unrestricted funds to designated fund for its 3 years Mid-Term Plan to be implemented from 2023 to 2025. Refer to Note 10 to the financial statements.

Restricted funds

The funds comprise the cumulative operating surplus or deficit arising from the specific income and expenditure account. The specific funds are utilised in accordance with its intended purpose. Amounts not utilised are accumulated in the specific funds.

Current and non-current classification

The Home presents assets and liabilities in the statements of financial position based on current or non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Home classifies all other liabilities as non-current.

Notes to the financial statements (Cont'd)

for the financial year ended 31 December 2023

3 Plant and equipment

	Computers $	Electrical equipment $
Cost		
At 1 January 2022	268,919	3,593
Additions	38,347	1,500
Written off	(331)	-
At 31 December 2022	**306,935**	**5,093**
Additions	**6,020**	**1,388**
Written off	**-**	**-**
At 31 December 2023	**312,955**	**6,481**
Accumulated depreciation		
At 1 January 2022	126,414	2,595
Depreciation for the year	82,159	1,248
Written off	-	-
At 31 December 2022	**208,573**	**3,843**
Depreciation for the year	**71,981**	**847**
Written off	**-**	**-**
At 31 December 2023	**280,554**	**4,690**
Carrying amount		
At 31 December 2023	**32,401**	**1,791**
At 31 December 2022	98,362	1,250

Furniture and fittings $	Other equipment $	Motor vehicle $	Renovation $	Total $
514,014	531,027	713,855	563,412	2,594,820
13,955	52,027	-	824,978	930,807
-	-	-	(1,760)	(2,091)
527,969	**583,054**	**713,855**	**1,386,630**	**3,523,536**
17,438	**166,470**	**-**	**479,654**	**670,970**
(10,289)	**(980)**	**-**	**-**	**(11,269)**
535,118	**748,544**	**713,855**	**1,866,284**	**4,183,237**
327,380	411,435	542,174	106,088	1,516,086
75,915	67,035	27,459	168,884	422,700
-	-	-	(1,555)	(1,555)
403,295	**478,470**	**569,633**	**273,417**	**1,937,231**
42,949	**88,730**	**27,459**	**293,612**	**525,578**
(8,639)	**(980)**	**-**	**-**	**(9,619)**
437,605	**566,220**	**597,092**	**567,029**	**2,453,190**
97,513	**182,324**	**116,763**	**1,299,255**	**1,730,047**
124,674	104,584	144,222	1,113,213	1,586,305

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

4 Intangible assets

	Software
	$
Cost	
At 1 January 2022	65,390
Additions	25,160
At 31 December 2022	**90,550**
Written off	**(20,900)**
At 31 December 2023	**69,650**
Accumulated amortisation	
At 1 January 2022	3,222
Amortisation for the year	19,834
At 31 December 2022	**23,056**
Amortisation for the year	**21,678**
Written off	**(5,922)**
At 31 December 2023	**38,812**
Carrying amount	
At 31 December 2023	**30,838**
At 31 December 2022	67,494

5 Right-of-use assets

	Office equipment $	Office premises $	Computers $	Reinstatement cost $	Total $
Cost					
At 1 January 2022	70,605	1,738,053	-	-	1,808,658
Additions	-	316,378	-	70,000	386,378
Expiry of lease contracts	-	(455,613)	-	-	(455,613)
At 31 December 2022	**70,605**	**1,598,818**	**-**	**70,000**	**1,739,423**
Additions	**62,243**	**211,991**	**41,070**	**-**	**315,304**
Termination of lease contracts	**(70,605)**	**-**	**-**	**-**	**(70,605)**
Expiry of lease contracts	**-**	**(215,956)**	**-**	**-**	**(215,956)**
Adjustment	**-**	**-**	**-**	**(12,186)**	**(12,186)**
At 31 December 2023	**62,243**	**1,594,853**	**41,070**	**57,814**	**1,755,980**
Accumulated depreciation					
At 1 January 2022	37,463	877,417	-	-	914,880
Depreciation for the year	14,680	467,085	-	-	481,765
Expiry of lease contracts	-	(455,613)	-	-	(455,613)
At 31 December 2022	**52,143**	**888,889**	**-**	**-**	**941,032**
Depreciation for the year	**13,750**	**451,115**	**7,845**	**42,732**	**515,442**
Termination of lease contracts	**(60,707)**	**-**	**-**	**-**	**(60,707)**
Expiry of lease contracts	**-**	**(215,956)**	**-**	**-**	**(215,956)**
At 31 December 2023	**5,186**	**1,124,048**	**7,845**	**42,732**	**1,179,811**
Carrying amount					
At 31 December 2023	**57,057**	**470,805**	**33,225**	**15,082**	**576,169**
At 31 December 2022	18,462	709,929	-	70,000	798,391

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

5 Right-of-use assets (Cont'd)

Details of the Home's significant right-of-use assets as at the reporting date are as follows:

Property name/ location	Description	Floor area	Tenure
30 Hong San Terrace (Evergreen Place, Home @Hong San) Singapore 688246	Four storey buildings	2,432 sqm	2 years leasehold commenced 19 June 2022
991 Alexandra Road #01-04 Singapore 119964	Office buildings	4,000 sq ft	3 years and 10 months leasehold commenced 1 March 2021
BLK 274B Compassvale Bow #01-521 Singapore 542274	Housing and Development Board ("HDB")	N/A	3 years leasehold commenced 16 May 2023
BLK 274C Compassvale Bow #01-509 Singapore 543274	Housing and Development Board ("HDB")	N/A	3 years leasehold commenced 16 May 2023
BLK 813 Yishun Ring Road #01-01 Singapore 760813	Housing and Development Board ("HDB")	N/A	3 years leasehold commenced 16 May 2023

The following table presents the amounts included in profit or loss:

	2023	2022
	$	$
Depreciation expenses on right-of-use assets	**515,442**	481,765

6 Investment properties

	Freehold Buildings $
Cost	
At 1 January 2022	-
Additions (Note A)	9,675,900
At 31 December 2022	**9,675,900**
Adjustment	**(67,452)**
At 31 December 2023	**9,608,448**
Accumulated depreciation	
At 1 January 2022	-
Depreciation for the year	48,379
At 31 December 2022	**48,379**
Depreciation for the year	**191,832**
At 31 December 2023	**240,211**
Carrying amount	
At 31 December 2023	**9,368,237**
At 31 December 2022	9,627,521

Note A: Additions during the year relates to the acquisition of freehold buildings at 354 Alexandra Road, Singapore 159948 amounting to $9,675,900 on 31 October 2022.

Details of the Home's investment properties as at 31 December 2023 are as follow:

Property name/ location	Description	Floor area	Tenure
354 Alexandra Road, #01-01 Alexis Singapore 159948	1 storey retail unit	1,378 sq ft	Freehold
354 Alexandra Road, #01-02 Alexis Singapore 159948	1 storey retail unit	1,690 sq ft	Freehold

The amounts recognised in profit or loss for investment properties are set out below:

	2023 $	2022 $
Rental income	**331,344**	55,224
Direct operating expenses arising from:		
- Investment properties that generate rental income	**(31,900)**	(2,967)

The estimated fair value of the investment properties amounted to $9,700,000, classified under level 3 of the fair value hierarchy, as determined on the basis of management's review of similar properties in the market as at 31 December 2023. The key input applied in the estimation of the investment property is unit price per square foot. Further information regarding the fair value measurement of the Home's investment properties are provided in Note 24.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

7 Receivables

	2023	2022
	$	$
Deposits	**465,820**	351,913
Prepayment	**163,664**	97,893
Receivables from residents	**97,539**	93,823
Accrued grants/Funding receivables	**1,326,656**	1,877,457
Other receivables	**31,940**	1,020
GST receivable	**40,619**	-
Interest receivables	**424,614**	237,509
	2,550,852	2,659,615

Receivables from residents

The average credit term period on receivables from residents is 7 days (2022: 7 days). No interest is charged on the receivables.

The Home, being a charity, provides financial assistance to those who are having difficulties to pay their fees. Long outstanding balances will be assessed on a yearly basis.

Management determines the receivables are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Accrued grants/Funding receivables

Accrued grants and funding receivables are mainly subsidies for patients receivable from government agencies. The receivables are interest-free.

For purpose of impairment assessment, the accrued grant and funding receivables are considered to have low credit risk and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

No loss allowance was recognised as the ECL for accrued grants/funding receivables was deemed to be immaterial.

8 Cash and cash equivalents

	2023	2022
	$	$
Cash in hands	**4,847**	6,674
Cash at bank	**3,092,594**	1,015,252
Fixed deposits	**41,478,530**	38,430,186
	44,575,971	39,452,112

Fixed deposits bear interest rates ranging from 0.46% to 4.50% (2022: 0.20% to 4.50%) per annum and for a tenure between 1 to 12 months (2022: 1 to 12 months). The fixed deposits could be withdrawn without having to incur significant cost and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

9 Designated fund

	2023	2022
	$	$
At 1 January	**2,000,000**	-
Transfer from general fund (Note A)	**-**	2,000,000
Utilisation during the year	**(214,871)**	-
At 31 December	**1,785,129**	2,000,000

The Home's mission and vision are to provide holistic care that makes a difference in every life that it touches and to be the preferred eldercare organisation, that inspires active and quality aging. In 2022, the Home commenced planning work on a 3-year Mid-Term Plan (MTP) comprising initiatives to be implemented from 2023 to 2025. The Management Committee approved the transfer of $2,000,000 from general fund to designated fund for such MTP initiatives. The initiatives serve to enhance current services (10 of them) and there were also four new services, all, with the aim to achieve the four strategic outcomes of increased presence in the pre-nursing sector, holistic approach in those programmes, excellence service culture as well as a process-excellent organisation. There may be additional initiatives or reductions, pending developments on the national directors for eldercare. The MTP are reviewed on a quarterly basis. Expenditure utilised for MTP initiatives will be tag and reduced from designated fund.

Note A: In 2022, the Home transferred $2,000,000 to designated fund for the above-mentioned 3-year MTP.

Notes to the financial statements (Cont'd)

for the financial year ended 31 December 2023

10 Restricted funds

	2023	2022
	$	$
Evergreen Place, Home @ HongSan Fund		
At 1 January	**-**	-
Deficit for the year	**(2,314,696)**	(1,291,629)
Transfer from general fund	**2,314,696**	1,291,629
At 31 December	**-**	-

The Evergreen Place, Home @ HongSan Fund is subsidies given by Ministry of Social and Family Development for funding of daily activities for homestay residents.

	2023	2022
	$	$
Ministry of Health ("MOH") Centre-based Services Fund		
At 1 January	**-**	-
Deficit for the year	**(993,485)**	(992,522)
Transfer from general fund	**993,485**	992,522
At 31 December	**-**	-

The Ministry of Health ("MOH") Centre-based Services Fund is subsidies given by Ministry of Health for funding of patients fee, transportation fee, and rental of premises.

	$	$
Community Silver Trust ("CST") Fund		
At 1 January	**4,401,257**	1,932,911
Funds received and receivables	**3,352,401**	4,520,017
Funds utilised	**(1,775,233)**	(2,051,671)
At 31 December	**5,978,425**	4,401,257

The Community Silver Trust ("CST") Fund is a dollar-to-dollar donation matching grant provided by the Government to enhance the services of voluntary welfare organisation in the intermediate and long-term care sector. The CST is managed by the Ministry of Health and administered by the Agency of integrated care.

10 Restricted funds (Cont'd)

	2023	2022
	$	$
Ministry of Health ("MOH") Active Ageing Centre Fund		
At 1 January	**-**	-
Deficit for the year	**(206,795)**	(318,056)
Transfer from general fund	**206,795**	318,056
At 31 December	**-**	-

The Ministry of Health ("MOH") Active Ageing Centre Fund are subsidies given by Ministry of Health for funding of activities catered to senior population held at eldercare centres.

	2023	2022
	$	$
Ministry of Health ("MOH") Senior Supportive Living ("SSL") Fund		
At 1 January	**-**	-
Deficit for the year	**-**	(11,596)
Transfer from general fund	**-**	11,596
At 31 December	**-**	-

The Ministry of Health ("MOH") Senior Supportive Living ("SSL") Fund are subsidies given by Ministry of Health for funding of in-situ assisted living services and round-the-clock supervision and support.

	2023	2022
	$	$
Ministry of Health ("MOH") Integrated Home and Day Care ("IHDC") Fund		
At 1 January	**-**	-
Deficit for the year	**(883,163)**	(757,620)
Transfer from general fund	**883,163**	757,620
At 31 December	**-**	-

The Ministry of Health ("MOH") Integrated Home and Day Care ("IHDC") Fund is subsidies given by Ministry of Health for funding of home and day care of elderly and their families depending on whether they require minimum, moderate or maximum level of assistance.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

10 Restricted funds (Cont'd)

Ministry of Health ("MOH") Centre-based Services Fund and Ministry of Health ("MOH") Integrated Home and Day Care ("IHDC") Fund are subsidies given by Ministry of Health for the below centre-based services programmes:

Programme	**Objective**
Community Rehabilitation	- Covers both active rehabilitation and Maintenance exercise. Provide therapy, which may include physiotherapy or occupational therapy, which is important for an elderly with heart disease, or who had a stroke, fracture or other condition that affected his ability to do everyday things like walking around or going to the bathroom. It can help him regain his abilities.
Maintenance Day Care	- Provides a safe and supportive environment for seniors who need full day custodial care.
Maintenance Exercise	- Provide individualised Care Plan with suitable exercises will be created for seniors.
Dementia Day Care	- Provides full day custodial care in a centre-based setting for seniors living with mild to moderate level of dementia.
Integrated Home and Day Care (IHDC)	- Provide comprehensive and personalised care to support seniors with multiple care needs, to maintain their independence and quality of life in the community for as long as possible.
Centre-Based Nursing	- Provides basic nursing care for seniors such as wound management help or assistance with nasogastric tubes and other equipment.
Centre-based Dementia Respite Care	- Provide dementia day care on Saturdays, as a form of respite support to caregivers.
Active Ageing Centre (Care)	- Drop-in social recreational centre that extends support to seniors living nearby in the community.

10 Restricted funds (Cont'd)

2023	Evergreen Place, Home @ HongSan Fund	Ministry of Health ("MOH") Centre-based Services Fund (Note A)	Ministry of Health ("MOH") Active Ageing Centre Fund	Ministry of Health ("MOH") Integrated Home and Day Care ("IHDC") Fund
	$	$	$	$
Income:				
Voluntary income:				
Donations	222,019	5,607	91,925	6,869
Funding from Ministry of Social and Development	1,084,109	-	-	-
Funding from Ministry of Health	-	1,399,277	29,988	74,013
Agency for Integrated Care subsidy	-	13,958	1,118,019	1,442,074
Funding under CST from AIC	-	523,363	-	513,892
Funding under CCSE from Agency of Integrated Care	-	839,273	-	751,343
Rental subvention from Ministry of Health and Ministry of Social and Family Development	279,200	21,096	99,988	48,009
Income from charitable activities:				
Income from residents	335,972	521,757	112,344	339,488
Other income	175,317	243,018	197,007	250,713
Total income	**2,096,617**	**3,567,349**	**1,649,271**	**3,426,401**
Expenditures				
Costs of charitable activities				
Employee benefits expenses				
Accommodation	23,900	58,993	-	49,973
Central provident fund contribution	219,907	336,867	117,235	299,424
Medical expenses	28,315	19,365	4,857	17,723
Foreign workers levy	69,291	73,284	5,800	78,857
Staff salary, overtime and bonuses	2,171,475	2,755,187	818,373	2,526,778
Recruitment expenses	1,770	2,235	872	2,802
Training and seminar	18,457	16,387	5,898	14,121
Staff welfare	32,978	35,198	8,383	29,759
Other employee benefit expenses	11,502	47,350	5,000	28,309
Resident Related expenses				
Doctor's retainer fees	8,840	4,308	-	12,738
Festival celebration	15,759	2,921	771	3,407
Groceries	341,807	92,766	36,218	77,231
Occupational therapy expenses	30,060	82,386	-	47,342
Physiotherapy expenses	43,200	66,279	-	66,629
Resident expenses	102,574	44,997	396,883	36,897
SASCO Charity Assistance to clients	205,607	41,851	-	55,528
Other expenses	11,378	18,348	9,149	17,366
	3,336,820	**3,698,722**	**1,409,439**	**3,364,884**
Costs of governance activities				
Audit fee	17,824	24,887	9,692	21,095
Professional charges	5,148	48,037	3,145	87,154
	22,972	**72,924**	**12,837**	**108,249**
Other expenditures				
Depreciation expense				
Depreciation of plant and equipment	63,365	244,422	35,590	182,202
Amortisation of intangible asset	1,812	2,900	14,209	2,756
Depreciation of right-of-use assets	212,711	95,073	117,668	89,988
Other expenses	767,230	442,371	258,336	557,293
	1,045,118	**784,766**	**425,803**	**832,239**
Finance costs	6,403	4,422	7,987	4,192
Total expenditures	**4,411,313**	**4,560,834**	**1,856,066**	**4,309,564**
Deficit for the year	(2,314,696)	(993,485)	(206,795)	(883,163)
Transfer from general fund	2,314,696	993,485	206,795	883,163
At 31 December 2023	**-**	**-**	**-**	**-**

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

10 Restricted funds (Cont'd)

Note A

	Ministry of Health ("MOH") Community Rehabilitation $	Ministry of Health ("MOH") Maintenance Exercise $	Ministry of Health ("MOH") Dementia Day Care $	Ministry of Health ("MOH") Maintenance Day Care $	Ministry of Health ("MOH") Centre-based Nursing $	**Ministry of Health ("MOH") Centre-based Services Fund $**
Income:						
Voluntary income:						
Donations	379	1,815	3,182	230	1	**5,607**
Funding from Ministry of Health	51,904	566,356	746,759	33,818	440	**1,399,277**
Agency for Integrated Care subsidy	21	8,782	5,142	13	-	**13,958**
Funding under CST from AIC	33,786	242,376	226,711	20,390	100	**523,363**
Funding under CCSE from Agency of Integrated Care	36,212	323,133	457,643	22,035	250	**839,273**
Rental subvention from Ministry of Health and Ministry of Social and Family Development	1,097	7,976	11,401	616	6	**21,096**
Income from charitable activities:						
Income from residents	19,502	207,843	285,128	9,184	100	**521,757**
Other income	12,053	96,196	127,425	7,276	68	**243,018**
Total income	**154,954**	**1,454,477**	**1,863,391**	**93,562**	**965**	**3,567,349**
Expenditures						
Costs of charitable activities						
Employee benefits expenses						
Accommodation	1,908	27,060	28,873	1,139	13	**58,993**
Central provident fund contribution	15,375	136,220	175,843	9,336	93	**336,867**
Medical expenses	859	7,962	10,020	520	4	**19,365**
Foreign workers levy	2,840	32,384	36,364	1,680	16	**73,284**
Staff salary, overtime and bonuses	123,750	1,135,097	1,420,734	74,879	727	**2,755,187**
Recruitment expenses	94	934	1,152	55	-	**2,235**
Training and seminar	793	6,596	8,511	483	4	**16,387**
Staff welfare	1,450	15,092	17,770	878	8	**35,198**
Other employee benefit expenses	2,106	20,135	23,798	1,299	12	**47,350**
Resident Related expenses						
Doctor's retainer fees	209	1,329	2,656	112	2	**4,308**
Festival celebration	166	865	1,787	101	2	**2,921**
Groceries	4,065	38,548	47,656	2,473	24	**92,766**
Occupational therapy expenses	4,270	36,867	38,601	2,630	18	**82,386**
Physiotherapy expenses	4,417	27,256	31,908	2,681	17	**66,279**
Resident expenses	2,150	18,582	22,946	1,309	10	**44,997**
SASCO Charity Assistance to clients	1,144	15,199	24,834	659	15	**41,851**
Other expenses	807	7,465	9,583	488	5	**18,348**
	166,403	**1,527,591**	**1,903,036**	**100,722**	**970**	**3,698,722**
Costs of governance activities						
Audit fee	1,023	10,268	12,968	622	6	**24,887**
Professional charges	2,018	9,402	35,402	1,189	26	**48,037**
	3,041	**19,670**	**48,370**	**1,811**	**32**	**72,924**
Other expenditures						
Depreciation expense						
Depreciation of plant and equipment	127	1,181	1,516	76	-	**2,900**
Amortisation of intangible asset	10,249	106,030	121,841	6,244	58	**244,422**
Depreciation of right-of-use assets	4,134	38,778	49,640	2,496	25	**95,073**
Other expenses	20,150	178,688	231,485	11,928	120	**442,371**
	34,660	**324,677**	**404,482**	**20,744**	**203**	**784,766**
Finance costs	190	1,808	2,307	115	2	**4,422**
Total expenditures	**204,294**	**1,873,746**	**2,358,195**	**123,392**	**1,207**	**4,560,834**
Deficit for the year	(49,340)	(419,269)	(494,804)	(29,830)	(242)	**(993,485)**
Transfer from general fund	49,340	419,269	494,804	29,830	242	**993,485**
At 31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**

10 Restricted funds (Cont'd)

2022

	Evergreen Place, Home @ HongSan Fund	Ministry of Health ("MOH") Centre-based Services Fund (Note A)	Ministry of Health ("MOH") Active Ageing Centre Fund	Ministry of Health ("MOH") Senior Supportive Living ("SSL") Fund	Ministry of Health ("MOH") Integrated Home and Day Care ("IHDC") Fund
	$	$	$	$	$
Income:					
Voluntary income:					
Donations	364,050	8,654	71,870	84	9,759
Funding from Ministry of Social and Development	1,129,385	-	-	-	-
Funding from Ministry of Health	-	1,032,084	141,093	-	-
Agency for Integrated Care subsidy	28,852	92,363	318,510	14,541	1,447,722
Funding under CST from AIC	825,536	590,990	145,858	6,390	482,897
Funding under CCSE from Agency of Integrated Care	-	611,597	-	-	292,430
Rental subvention from Ministry of Health and Ministry of Social and Family Development	283,999	28,320	62,416	1,216	73,823
Income from charitable activities:					
Income from residents	338,408	446,703	94,629	(1,297)	309,267
Other income	285,806	225,134	174,730	2,069	218,358
Total income	**3,256,036**	**3,035,845**	**1,009,106**	**23,003**	**2,834,256**
Expenditures					
Costs of charitable activities					
Employee benefits expenses					
Accommodation	11,400	30,318	-	212	21,766
Central provident fund contribution	261,153	311,434	92,436	2,664	284,740
Medical expenses	13,070	14,479	3,921	108	12,444
Foreign workers levy	57,595	49,779	2,390	585	49,292
Staff salary, overtime and bonuses	2,278,090	2,380,969	614,599	21,271	2,164,639
Recruitment expenses	400	943	191	14	1,076
Training and seminar	31,773	24,202	5,580	183	21,293
Staff welfare	29,329	27,558	4,075	249	24,330
Other employee benefit expenses	65,547	190,031	12,311	1,244	147,263
Resident Related expenses					
Doctor's retainer fees	2,575	10,401	-	125	9,471
Festival celebration	15,374	1,998	1,861	48	3,725
Groceries	317,709	87,849	36,487	651	70,860
Occupational therapy expenses	27,540	70,152	-	319	42,044
Physiotherapy expenses	45,660	72,706	-	485	54,421
Resident expenses	97,545	23,349	177,049	415	34,674
SASCO Charity Assistance to clients	165,638	42,183	-	212	29,531
	3,420,398	**3,338,351**	**950,900**	**28,785**	**2,971,569**
Costs of governance activities					
Audit fee	28,360	25,420	7,386	177	20,657
Professional charges	22,374	20,505	7,687	172	18,113
	50,734	**45,925**	**15,073**	**349**	**38,770**
Other expenditures					
Depreciation expense					
Depreciation of plant and equipment	75,661	166,937	72,389	751	106,961
Amortisation of intangible asset	3,898	3,481	9,360	29	3,066
Depreciation of right-of-use assets	248,050	72,665	96,714	601	63,736
Other expenses	743,530	399,536	181,842	4,072	406,487
	1,071,139	**642,619**	**360,305**	**5,453**	**580,250**
Finance costs	5,394	1,472	884	12	1,287
Total expenditures	**4,547,665**	**4,028,367**	**1,327,162**	**34,599**	**3,591,876**
Deficit for the year	(1,291,629)	(992,522)	(318,056)	(11,596)	(757,620)
Transfer from general fund	1,291,629	992,522	318,056	11,596	757,620
At 31 December 2022	**-**	**-**	**-**	**-**	**-**

Notes to the financial statements (Cont'd)

for the financial year ended 31 December 2023

10 Restricted funds (Cont'd)

Note A

	Ministry of Health ("MOH") Community Rehabilitation $	Ministry of Health ("MOH") Maintenance Exercise $	Ministry of Health ("MOH") Dementia Day Care $	Ministry of Health ("MOH") Maintenance Day Care $	Ministry of Health ("MOH") Centre-based Nursing $	**Ministry of Health ("MOH") Centre-based Services Fund $**
Income:						
Voluntary income:						
Donations	309	2,673	5,470	200	2	**8,654**
Funding from Ministry of Health	35,657	351,239	622,846	22,122	220	**1,032,084**
Agency for Integrated Care subsidy	-	54,559	37,804	-	-	**92,363**
Funding under CST from AIC	27,201	241,671	304,439	17,614	65	**590,990**
Funding under CCSE from Agency of Integrated Care	22,538	225,240	349,104	14,594	121	**611,597**
Rental subvention from Ministry of Health and Ministry of Social and Family Development	1,151	9,427	16,989	746	7	**28,320**
Income from charitable activities:						
Income from residents	14,658	163,775	257,763	10,452	55	**446,703**
Other income	8,687	78,167	132,605	5,625	50	**225,134**
Total income	**110,201**	**1,126,751**	**1,727,020**	**71,353**	**520**	**3,035,845**
Expenditures						
Costs of charitable activities						
Employee benefits expenses						
Accommodation	907	12,467	16,351	588	5	**30,318**
Central provident fund contribution	11,932	110,884	180,826	7,727	65	**311,434**
Medical expenses	616	5,052	8,409	399	3	**14,479**
Foreign workers levy	1,498	19,689	27,612	970	10	**49,779**
Staff salary, overtime and bonuses	91,019	866,104	1,364,430	58,940	476	**2,380,969**
Recruitment expenses	27	375	523	18	-	**943**
Training and seminar	1,091	8,217	14,183	707	4	**24,202**
Staff welfare	914	10,552	15,495	592	5	**27,558**
Other employee benefit expenses	7,194	70,540	107,602	4,659	36	**190,031**
Resident Related expenses						
Doctor's retainer fees	111	4,791	5,426	72	1	**10,401**
Festival celebration	66	586	1,301	44	1	**1,998**
Groceries	3,200	33,102	49,458	2,072	17	**87,849**
Occupational therapy expenses	2,807	27,610	37,907	1,818	10	**70,152**
Physiotherapy expenses	4,150	25,241	40,617	2,687	11	**72,706**
Resident expenses	1,029	7,068	14,580	666	6	**23,349**
SASCO Charity Assistance to clients	1,202	16,407	23,788	778	8	**42,183**
	127,763	**1,218,685**	**1,908,508**	**82,737**	**658**	**3,338,351**
Costs of governance activities						
Audit fee	917	9,369	14,535	594	5	**25,420**
Professional charges	761	7,499	11,748	493	4	**20,505**
	1,678	**16,868**	**26,283**	**1,087**	**9**	**45,925**
Other expenditures						
Depreciation expense						
Depreciation of plant and equipment	2,806	70,304	91,980	1,817	30	**166,937**
Amortisation of intangible asset	130	1,269	1,996	85	1	**3,481**
Depreciation of right-of-use assets	2,731	26,529	41,623	1,768	14	**72,665**
Other expenses	16,003	137,726	235,356	10,363	88	**399,536**
	21,670	**235,828**	**370,955**	**14,033**	**133**	**642,619**
Finance costs	56	538	842	36	-	**1,472**
Total expenditures	**151,167**	**1,471,919**	**2,306,588**	**97,893**	**800**	**4,028,367**
Deficit for the year	(40,966)	(345,168)	(579,568)	(26,540)	(280)	**(992,522)**
Transfer from general fund	40,966	345,168	579,568	26,540	280	**992,522**
At 31 December 2022	**-**	**-**	**-**	**-**	**-**	**-**

11 Lease liabilities

	2023 $	2022 $
Undiscounted lease payments due:		
- Year 1	**410,314**	433,284
- Year 2	**132,723**	310,459
- Year 3	**20,145**	2,261
- Year 4	**13,884**	-
- Year 5	**8,099**	-
	585,165	746,004
Less: future finance charges	**(18,922)**	(7,819)
Present value of lease liabilities	**566,243**	738,185
Presented as:		
- Current	**399,204**	426,899
- Non-current	**167,039**	311,286
	566,243	738,185

The Home leases office equipment, office premises and computers (Note 5) for its operations.

The Home makes monthly lease payments for usage of premises under leasing agreement for operation purposes. Leases are negotiated for an average term of 5 years for equipment, 4 years for premises and 3 years for computers.

Total cash outflows (including interest paid) for all leases in the year amounted to $563,318 (2022: $557,347).

Interest expense on lease liabilities of $14,225 (2022: $9,049) is recognised within “finance costs” in statement of financial activities.

The Home’s lease liabilities are secured by the lessors’ title to the leased assets.

There are no externally imposed covenants on these premises’ lease arrangements.

Rental expenses not capitalised in lease liabilities but recognised within “other expenditure” in statement of financial activities are set out below:

	2023 $	2022 $
Short-term leases	**71,776**	75,311
Leases of low-value assets	**175**	300

As at 31 December 2023, the Home’s short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Home’s short-term lease expense for the year.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

11 Lease liabilities (Cont'd)

As at 31 December 2023, the Home's short-term leases and low value assets commitments at the reporting date under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	2023	2022
	$	$
Short-term leases:		
- Not later than one year	**71,776**	71,776
Leases of low value assets:		
- Not later than one year	**175**	300
- Later than one year and not later than five years	**-**	150
	175	450

12 Provisions

	2023	2022
	$	$
Non-current		
At 1 January	**70,000**	-
Additions	**-**	70,000
Amortisation	**(3,407)**	-
At 31 December	**66,593**	70,000

Represents provision to be incurred for reinstatement of the office premises upon expiry of the lease term.

Interest expense on provision of $8,779 (2022: $Nil) is recognised within "finance costs" in statement of financial activities.

13 Other payables

	2023 $	2022 $
Accruals for staff costs	**1,454,138**	1,217,764
Other accruals	**122,293**	152,956
Sundry creditors	**298,240**	544,122
Payables to a related party	**206,960**	204,496
Other residents' deposits	**75,240**	63,985
Deferred income (Note A)	**1,413,305**	366,309
GST payable	**-**	21,157
	3,570,176	2,570,789

Other payables are non-interest bearing and have an average credit term of 30 to 60 days (2022: 30 to 60 days).

Related party refers to an entity that have a common management committee with the Home. The payables to a related party are unsecured, interest free and repayable on demand.

Note A:
The movement in deferred income is set out as below:

	2023 $	2022 $
Deferred income		
At 1 January	**366,309**	7,490
Addition for the year	**1,414,250**	373,998
Amortisation for the year	**(367,254)**	(15,179)
At 31 December	**1,413,305**	366,309

14 Other income

	2023 $	2022 $
Special employment credit	**30,626**	29,468
Other government grant (1)	**343,227**	664,452
Rental Income	**331,344**	55,224
Miscellaneous income (2)	**160,858**	156,953
	866,055	906,097

(1) Other government grant mainly consists of training grant, wage credit scheme, jobs growth incentive, NCSS grant, and others grants related with government.

(2) Miscellaneous income mainly consists of profit sharing on the sale of items or services and rental of office premises.

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

15 Costs of charitable activities

Cost of charitable activities include:

	2023 $	2022 $
Foreign worker levy	**233,030**	163,811
Groceries	**532,764**	498,328
Occupational therapy expenses	**159,788**	140,055
Physiotherapy expenses	**176,108**	173,222
Resident expenses	**574,126**	332,558
Database management expenses	**1,448,698**	1,570,068
Fund-raising expenses	**762,165**	95,585
SASCO charity assistance to clients	**90,723**	75,331
Bank administrative charges	**144,053**	105,006
Employee benefits expenses:		
- Central Provident Fund contribution	**1,006,567**	982,999
- Staff salaries, overtime, and bonuses	**8,221,004**	7,391,572
- Medical expenses	**71,796**	45,878
- Other employee benefit expenses	**45,978**	38,536

16 Costs of governance activities

Costs of governance activities include:

	2023 $	2022 $
Board Member reimbursement	**30,820**	24,285
Professional charges	**143,482**	68,850

17 Other expenditure

Other expenditure include:

	Note	**2023**	2022
		$	$
Bad debts written off		**-**	2,245
Printing and stationery		**30,502**	30,709
Repairs & maintenance		**71,280**	81,858
Security services		**83,160**	76,200
Depreciation of plant and equipment	3	**525,578**	422,700
Amortisation of intangible assets	4	**21,678**	19,834
Depreciation of right-of-use assets	5	**515,442**	481,765
Depreciation of investment properties	6	**191,832**	48,379
Insurance		**61,574**	20,884
Lease expenses relating to short-term leases	11	**71,776**	75,311
Lease expenses relating to low-value assets	11	**175**	300
Utilities		**310,175**	304,595
Telecommunication		**60,555**	65,987
Outsource service fees		**125,111**	33,818
IT Expenses		**265,332**	237,276
Conservancy and Service Charges		**176,673**	156,781
Marketing Expenses		**114,541**	73,568

18 Tax expense

The Home is an approved charity organisation under the Charities Act 1994. No provision for taxation has been made in the financial statements as the Home is exempted from tax under the Singapore Income Tax Act 2008.

19 Tax exempt receipt

The Home enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times double tax deduction for the donations made to the Home. The IPC status was renewed for 21 months with effect from 7 July 2022 to 6 April 2024.

	2023	2022
	$	$
Donations for which tax-exempt receipts were issued	**8,163,015**	6,015,559

Notes to the financial statements (Cont'd)

for the financial year ended 31 December 2023

20 Significant related party transactions

Some of the Home's transactions and arrangements are with a related party and the effect of these on the basis determined between the parties is reflected in these financial statements.

For the purposes of these 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 is subject to common control, or the party is a member of key management personnel of the Home, or the party is a close family member of any individual of the key management personnel or controlling party.

Related parties include the co-operative entity that provides key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the Home.

Other than as disclosed elsewhere in the financial statement, the following transactions took place between the Home and the related party at terms agreed between the parties:

	2023	2022
	$	$
Receipt of AIC grant by a related party on behalf of the Home	**8,542,210**	7,073,127
AIC grant transferred to Home by a related party	**(8,542,210)**	(7,073,127)
Donation service fees expense	**2,214,737**	1,659,364
Reimbursement of expenses by a related party	**115,335**	24,373
Rent and office expense from a related party	**39,679**	24,148

Compensation of key management personnel

The remuneration of key management personnel during the year is as follows:

	2023	2022
	$	$
Short-term benefit	**299,775**	302,198
Post-employment benefits	**7,742**	8,070
	307,517	310,268

Number of key managements in remuneration bands:

	2023	2022
$300,001 and above	**1**	1
$200,001- $300,000	**-**	-
$200,000 and below	**-**	-
	1	1

20 Significant related party transactions (Cont'd)

The annual remuneration (comprising basic salary, bonuses, allowances and employer's contribution to Central Provident Fund) of the three (2022: three) highest paid staff classified by remuneration bands are as follows:

	2023	2022
$300,001 and above	**1**	1
$200,001-$300,000	**-**	-
$100,000-$200,000	**2**	2
	3	3

Number of paid staff who are close members of the family of the Executive Head or Board members, who each remuneration exceeding $50,000 during the year, in bands of $100,000:

	2023	2022	Name of Executive Head of Board Member with whom the staff is a close family member
$50,000- $150,000	**1**	1	Subramaniam s/o Krishnan

21 Commitments

Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	2023	2022
	$	$
Capital commitment for future expenditure for:		
- software	**219,458**	365,020

22 Financial risk management

Management monitors and manages the financial risks relating to the operations of the Home to minimise adverse potential effects on financial performance. These risks include market risk (including interest rate risk), credit risk, liquidity risk and fair value risk. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

There has been no change to the Home's exposure to these financial risks or the manner in which it manages and measures these risks. Market risk is the risk that change in market prices, such as interest rates 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 risk exposures are measured using sensitivity analysis indicated below:

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

22 Financial risk management (Cont'd)

22.1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Home's financial instruments will fluctuate because of changes in interest rates. The Home's exposure to interest rate risk arises primarily from fixed deposits placed with financial institutions.

As the fixed deposits are earning interest at fixed interest rate, the Home does not expect any significant effect on the Home's statement of financial activities arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

22.2 Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Home as and when they fall due. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of financial year in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

The Home develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The majority of the Home's receivables relate to grant receivables from government bodies which is not subjected to credit risk assessment.

The Home has adopted procedures in monitoring its credit risk. Cash and cash equivalents are held with reputable institutions and are subject to immaterial credit loss.

The Home does not have any significant credit risk exposure to any single counterparty.

The Home's surplus funds are also managed centrally by placing them with reputable financial institutions on varying maturities.

22.3 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 objective is to maintain an adequate level of cash and cash equivalents to finance the Home's operation.

22 Financial risk management (Cont'd)

22.3 Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity profile of the Home's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

	----------------Contractual undiscounted cash flows--------------				
	Less than 1 year	**Between 2 to 5 years**	**Over 5 years**	**Total**	**Carrying amount**
	$	**$**	**$**	**$**	**$**
2023					
Lease liabilities	**410,314**	**174,851**	**-**	**585,165**	**566,243**
Other payables*	**2,156,871**	**-**	**-**	**2,156,871**	**2,156,371**
	2,567,185	**174,851**	**-**	**2,742,036**	**2,722,614**
2022					
Lease liabilities	433,284	312,720	-	746,004	738,185
Other payables*	2,183,323	-	-	2,183,323	2,183,323
	2,616,607	312,720	-	2,929,327	2,921,508

* exclude deferred income and GST payable

22.4 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The principal activities of the Home are carried out in Singapore dollars. Hence, the Home does not have exposure to foreign currency risk.

23 Financial instruments

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	2023	2022
	$	$
At amortised cost		
Financial assets		
Receivables*	**1,019,913**	684,265
Cash and cash equivalents	**44,575,971**	39,452,112
	45,595,884	40,136,377
At amortised cost		
Financial liabilities		
Lease liabilities	**566,243**	738,185
Other payables**	**2,156,871**	2,183,323
	2,723,114	2,921,508

* exclude prepayment, accrued grants/funding receivables and GST receivable
** exclude deferred income and GST payable

Notes to the financial statements (Cont'd)
for the financial year ended 31 December 2023

24 Fair value measurement

Definition of fair value

FRSs define fair value as 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.

Fair value hierarchy

The Home classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Other than as disclosed elsewhere in these financial statements, the carrying amounts and fair values of non-financial assets and liabilities, including their fair value hierarchy level, are set out below:

	Note	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
2023					
Non-financial assets					
Investment properties	6	**-**	**-**	**9,700,000**	**9,700,000**
2022					
Non-financial assets					
Investment properties	6	-	-	9,700,000	9,700,000

Fair value measurement of financial assets and liabilities

The carrying amounts of cash and cash equivalents, receivables and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Home does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.