

SASCO Senior Citizens' Home

FINANCIAL STATEMENTS

31 December 2025

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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) John s/o Raghavan (Member) Subramaniam s/o Krishnan (Member) Lakhbir Gill (Member) Jignesh s/o Surendra Ramanlal (Member) Daryl Han Keen Siew (Member) Hirman Mohamed Khamis (Member) Ng Kim Seng (Member) – Appointed 1 July 2025 Pasupathy S/O Muthu Suppiah (Member) – Appointed 1 July 2025 Chua Tian Teck (Member) – Resigned 30 June 2025 Pang Tian Tok (Member) – Resigned 30 June 2025
Secretary:	Tan Leng Joo Bernard
Banker:	United Overseas Bank Limited Maybank Singapore Limited BNP Paribas, Singapore Branch DBS bank
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 2025

In the opinion of the Management Committee,

- 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 2025 and of the results, changes in funds and cash flows of the Home for the financial year ended;
- 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;
- 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;
- the Home has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and
- 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



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FARIHULLAH S/O ABDUL WAHAB SAFIULLAH



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ISKANDER BIN ABDUL KABIS

Dated: 23 March 2026

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 2025, 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 Singapore Financial Reporting Standards ("FRS") so as to present fairly, in all material respects, the state of affairs of the Home as at 31 December 2025 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") as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee 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 and will 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 on the other information obtained prior to the date of this auditor's report, 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 of the financial statements that give a true and fair view 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 (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (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:

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



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 23 March 2026

Statement of

Financial Position

as at 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
ASSETS			
Non-Current Assets			
Plant and equipment	3	1,167,097	1,327,388
Intangible assets	4	2,565	11,595
Right-of-use assets	5	687,063	428,535
Investment properties	6	16,754,473	9,176,068
		18,611,198	10,943,586
Current Assets			
Receivables	7	3,443,553	3,170,941
Cash and bank balances	8	44,215,960	46,255,536
		47,659,513	49,426,477
Total assets		66,270,711	60,370,063
FUNDS AND LIABILITIES			
FUNDS			
General fund		57,741,260	51,655,861
Designated fund	9	-	1,226,282
Restricted funds	10	3,490,434	2,965,186
Total funds		61,231,694	55,847,329
LIABILITIES			
Non-Current Liabilities			
Lease liabilities	11	92,825	171,791
Provisions	12	103,296	70,000
		196,121	241,791
Current Liabilities			
Lease liabilities	11	603,857	269,978
Other payables	13	4,239,039	4,010,965
		4,842,896	4,280,943
Total liabilities		5,039,017	4,522,734
Total funds and liabilities		66,270,711	60,370,063

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 2025

2025	Unrestricted Fund		Restricted Fund				Total
	General fund	Designated fund (Note 9)	Evergreen Place, Home@ HongSan Fund (Note 10)	Ministry of Health Centre-based Services Fund (Note 10)	Ministry of Health Active Ageing Centre Fund (Note 10)	Ministry of Health IHDC Fund (Note 10)	
Note	\$	\$	\$	\$	\$	\$	\$
Income:							
<i>Voluntary income:</i>							
Donations	12,967,831	-	821,194	10,437	31,009	3,949	13,834,420
Funding from Ministry of Social and Family Development	-	-	1,513,839	-	-	-	1,513,839
Funding from Ministry of Health Agency for Integrated Care ("AIC") subsidy	-	-	-	2,135,013	-	-	2,135,013
Funding under Community Care Salary Enhancement ("CCSE") from AIC	-	-	-	68,456	1,909,052	1,014,778	2,992,286
Funding under Community Silver Trust ("CST") from AIC	-	-	-	639,610	-	287,093	926,703
Rental subvention from Ministry of Health and Ministry of Social and Family Development	-	-	51,171	2,142,866	46,515	952,224	3,192,776
<i>Income from charitable activities:</i>							
Income from residents	16,330	-	371,337	611,721	97,391	225,368	1,322,147
<i>Interest income:</i>							
Interest on fixed deposits	871,733	-	-	-	-	-	871,733
Other income	14	1,563	317,968	224,821	132,330	107,393	784,075
Total income	13,857,457	-	3,355,956	5,874,020	2,298,871	2,622,227	28,008,531

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

Statement of Financial Activities (continued)

for the financial year ended 31 December 2025

2025	Note	Unrestricted Fund		Restricted Fund				Total
		General fund	Designated fund (Note 9)	Evergreen Place, Home@ HongSan Fund (Note 10)	Ministry of Health Centre-based Services Fund (Note 10)	Ministry of Health Active Ageing Centre Fund (Note 10)	Ministry of Health IHDC Fund (Note 10)	
		\$	\$	\$	\$	\$	\$	\$
Expenditures:								
Costs of charitable activities	15	4,119,393	449,807	3,901,060	5,335,627	2,155,275	2,249,405	18,210,567
Costs of governance activities	16	(59,866)	114,410	29,878	70,335	24,692	34,501	213,950
Other expenditure	17	261,435	98,970	1,339,977	1,539,130	641,870	802,005	4,683,387
Finance costs		40	-	11,283	6,403	6,144	2,840	26,710
Total expenditures		4,321,002	663,187	5,282,198	6,951,495	2,827,981	3,088,751	23,134,614
Surplus/(deficit) before tax		9,536,455	(663,187)	(1,926,242)	(1,077,475)	(529,110)	(466,524)	4,873,917
Tax expense	18	-	-	-	-	-	-	-
Surplus/(deficit) for the year		9,536,455	(663,187)	(1,926,242)	(1,077,475)	(529,110)	(466,524)	4,873,917

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

Statement of Financial Activities (continued)

for the financial year ended 31 December 2025

2024	Unrestricted Fund		Restricted Fund				Total
	General fund	Designated fund (Note 9)	Evergreen Place, Home@HongSan Fund (Note 10)	Ministry of Health Centre-based Services Fund (Note 10)	Ministry of Health Active Ageing Centre Fund (Note 10)	Ministry of Health IHDC Fund (Note 10)	
Note	\$	\$	\$	\$	\$	\$	\$
Income:							
<i>Voluntary income:</i>							
Donations	10,666,280	-	324,875	9,842	38,204	4,833	11,044,034
Funding from Ministry of Social and Family Development	-	-	1,193,426	-	-	-	1,193,426
Funding from Ministry of Health Agency for Integrated Care ("AIC") subsidy	-	-	-	1,626,703	-	39,571	1,666,274
Funding under Community Care Salary Enhancement ("CCSE") from AIC	-	-	-	21,328	1,803,948	1,390,268	3,215,544
Funding under Community Silver Trust ("CST") from AIC	-	-	-	377,122	-	187,604	564,726
Rental subvention from Ministry of Health and Ministry of Social and Family Development	-	-	22,350	1,518,947	-	1,132,253	2,673,550
	-	-	280,467	27,439	82,574	43,615	434,095
<i>Income from charitable activities:</i>							
Income from residents	9,742	-	402,142	667,146	112,591	325,713	1,517,334
<i>Interest income:</i>							
Interest on fixed deposits	1,355,471	-	-	-	-	-	1,355,471
Other income	14	1,551	201,840	332,004	202,869	261,456	999,720
Total income	12,033,044	-	2,425,100	4,580,531	2,240,186	3,385,313	24,664,174

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

Statement of Financial Activities (continued)

for the financial year ended 31 December 2025

2024	Note	Unrestricted Fund		Restricted Fund				Total
		General fund	Designated fund (Note 9)	Evergreen Place, Home@ HongSan Fund (Note 10)	Ministry of Health Centre-based Services Fund (Note 10)	Ministry of Health Active Ageing Centre Fund (Note 10)	Ministry of Health IHDC Fund (Note 10)	
		\$	\$	\$	\$	\$	\$	\$
Expenditures:								
Costs of charitable activities	15	2,809,434	290,760	3,711,097	4,389,651	1,895,771	3,211,907	16,308,620
Costs of governance activities	16	(75,688)	112,567	33,559	75,625	43,569	80,172	269,804
Other expenditure	17	200,144	102,829	1,088,415	1,046,105	475,480	919,090	3,832,063
Finance costs		13	-	9,415	2,931	7,633	2,229	22,221
Total expenditures		2,933,903	506,156	4,842,486	5,514,312	2,422,453	4,213,398	20,432,708
Surplus/(deficit) before tax		9,099,141	(506,156)	(2,417,386)	(933,781)	(182,267)	(828,085)	4,231,466
Tax expense	18	-	-	-	-	-	-	-
Surplus/(deficit) for the year		9,099,141	(506,156)	(2,417,386)	(933,781)	(182,267)	(828,085)	4,231,466

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

Statement of changes in Funds

for the financial year ended 31 December 2025

	Unrestricted Funds		Restricted Funds						Total
	General fund	Designated fund (Note 9)	Evergreen Place, Home@ HongSan Fund (Note 10)	Ministry of Health Centre-based Services Fund (Note 10)	Ministry of Health Active Ageing Centre Fund (Note 10)	Ministry of Health Integrated Home and Day Care ("IHDC") Fund (Note 10)	Community Silver Trust Fund (Note 10)	FUN! Fund (Note 10)	
2025	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January	51,655,861	1,226,282	-	-	-	-	2,965,186	-	55,847,329
Surplus/(deficit) for the year, representing total comprehensive income/(loss) for the year	9,536,455	(663,187)	(1,926,242)	(1,077,475)	(529,110)	(466,524)	-	-	4,873,917
Transfer to restricted funds	(4,014,151)	-	1,926,242	1,077,475	529,110	466,524	-	14,800	-
Transfer from designated fund	535,106	(535,106)	-	-	-	-	-	-	-
Utilisation of designated funds on plant and equipment	27,989	(27,989)	-	-	-	-	-	-	-
Funding receipt for the year	-	-	-	-	-	-	3,665,468	-	3,665,468
Utilisation of restricted fund	-	-	-	-	-	-	(3,155,020)	-	(3,155,020)
At 31 December	57,741,260	-	-	-	-	-	3,475,634	14,800	61,231,694

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

Statement of changes in Funds (continued)

for the financial year ended 31 December 2025

	Unrestricted Funds		Restricted Funds					Total
	General fund	Designated fund (Note 9)	Evergreen Place, Home@ HongSan Fund (Note 10)	Ministry of Health Centre-based Services Fund (Note 10)	Ministry of Health Active Ageing Centre Fund (Note 10)	Ministry of Health Integrated Home and Day Care ("IHDC") Fund (Note 10)	Community Silver Trust Fund (Note 10)	
2024	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January	46,865,548	1,785,129	-	-	-	-	5,978,425	54,629,102
Surplus/(deficit) for the year, representing total comprehensive income/(loss) for the year	9,099,141	(506,156)	(2,417,386)	(933,781)	(182,267)	(828,085)	-	4,231,466
Transfer to restricted funds	(4,361,519)	-	2,417,386	933,781	182,267	828,085	-	-
Utilisation of designated funds on plant and equipment	52,691	(52,691)	-	-	-	-	-	-
Utilisation of restricted fund	-	-	-	-	-	-	(3,013,239)	(3,013,239)
At 31 December	51,655,861	1,226,282	-	-	-	-	2,965,186	55,847,329

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

Statement of Cash Flows

for the financial year ended 31 December 2025

	Note	2025 \$	2024 \$
Cash Flows from Operating Activities			
Surplus before tax		4,873,917	4,231,466
Adjustments for:			
Plant and equipment written off		698	35,320
Depreciation of plant and equipment	3, 17	610,588	565,688
Amortisation of intangible assets	4, 17	9,030	19,243
Reinstatement costs of leases		-	(3,179)
Depreciation of right-of-use assets	5, 17	642,653	509,363
Depreciation of investment properties	6, 17	226,122	192,169
Interest income		(871,733)	(1,355,471)
Amortisation of deferred income	13	(868,886)	(588,254)
Interest expenses		25,354	22,221
Provision for reinstatement cost – unwinding of discount	12	1,356	3,407
Operating cash flows before movements in working capital		4,649,099	3,631,973
Changes in receivables		(518,673)	(651,989)
Changes in payables		1,096,960	1,025,636
Cash generated from operations		5,227,386	4,005,620
Government grant received	10	3,665,468	-
Government grant utilised	10	(3,155,020)	(3,013,239)
Net cash generated from operating activities		5,737,834	992,381
Cash Flows from Investing Activities			
Acquisition of plant and equipment	3	(450,995)	(198,349)
Acquisition of investment properties	6	(8,353,075)	-
Investment properties adjustment – GST refund received	6	548,548	-
Interest received		1,117,794	1,387,371
Net cash (used in)/generated from investing activities		(7,137,728)	1,189,022
Cash Flows from Financing Activities			
Lease liabilities:			
- Principal paid	A	(614,328)	(483,024)
- Interest paid	A	(25,354)	(18,814)
Net cash used in financing activities		(639,682)	(501,838)
Net (decrease)/increase in cash and cash equivalents		(2,039,576)	1,679,565
Cash and cash equivalents at beginning of the year		46,255,536	44,575,971
Cash and cash equivalents at end of the year	8	44,215,960	46,255,536

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 ----- >				
	Note	As at 1 January \$	Principal repayment \$	Interest paid \$
2025				
Lease liabilities	11	441,769	(614,328)	(25,354)
Provisions	12	70,000	-	-
		511,769	(614,328)	(25,354)
2024				
Lease liabilities	11	566,243	(483,024)	(18,814)
Provisions	12	66,593	-	-
		632,836	(483,024)	(18,814)

< ----- Non-cash changes ----- >					
	New leases \$	Lease modification \$	Interest expense \$	Unwinding of discount \$	As at 31 December \$
2025					
Lease liabilities	293,715	575,326	25,354	-	696,682
Provisions	31,940	-	-	1,356	103,296
	325,625	575,326	25,354	1,356	799,978
2024					
Lease liabilities	358,550	-	18,814	-	441,769
Provisions	-	-	-	3,407	70,000
	358,550	-	18,814	3,407	511,769

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

Statement of Cash Flows (continued)

for the financial year ended 31 December 2025

1 General information

SASCO Senior Citizens' Home (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 2024 to 6 April 2025 and 7 April 2025 to 6 December 2025. Subsequently, the IPC status was renewed from 7 December 2025 to 6 October 2027.

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 the Home.

The financial statements of the Home for the year ended 31 December 2025 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 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 Dollar, which is the Home's functional currency. All financial information are presented in Singapore Dollar, unless otherwise stated.

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

On 1 January 2025, 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.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 121	Lack of exchangeability	1 January 2025

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 109 and FRS 107	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to FRS 109 and FRS 107	Contracts Referencing Nature-dependent Electricity	1 January 2026
Various	Annual Improvements to FRSs – Volume 11	1 January 2026
Amendments to FRS 118	Presentation and Disclosure in Financial Statements Illustrative Examples	1 January 2027
Amendments to FRS 119	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 impact on the financial statements of the Home except for the following:

FRS 118 Presentation and Disclosure in Financial Statements

FRS 118 replaces FRS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

FRS 118 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. In particular, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. In addition, FRS 118 requires disclosure of newly prescribed management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes to the financial statements.

Furthermore, narrow scope amendments are made to FRS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also amendments to several other standards.

FRS 118, and the consequential amendments to the other standards, is effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. FRS 118 is applied retrospectively with specific transition provisions.

The Home is currently assessing the impact of the amendment. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the financial statements in the period of initial application.

Notes to the Financial Statements

for the financial year ended 31 December 2025

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

Significant judgements used in applying accounting policies

Classification between software-as-a-services ("SaaS") arrangement and intangible assets.

The Home enters into various SaaS arrangements with third-party IT providers to implement multiple IT management systems for operational purposes, including Human Capital and Workforce Management, Financial and Resource Management, and Operational Support and Security.

Under SaaS arrangements, the Home is provided with the right to access the vendors' software applications on the cloud over the agreed contract periods, and the vendors perform configuration and customisation services based on the Home's requirements. The Home does not control the underlying software as intangible assets as it is unable to engage an alternative hosting provider without incurring significant costs. Accordingly, each SaaS arrangement is assessed to be a service contract. Significant judgement is applied in determining that the configuration and customisation services provided by the vendors are not distinct from the ongoing access to the cloud software applications, as there is a significant degree of integration, modification and interdependency between these activities.

As a result, fees for access to the cloud software applications are expensed as the related services are received. Configuration and customisation costs are recognised as prepayments and expensed over the period of access to the relevant cloud software applications. Costs incurred in developing data conversion software for the Home are capitalised and amortised over their useful lives. Testing and training costs are expensed as incurred.

Determining the lease term of contracts with renewal options - Home as lessee

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.

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

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.

Depreciation of plant and equipment (Note 3)

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Home estimates the useful lives of plant and equipment to be within 3 to 10 years. 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. The carrying amount of the Home's plant and equipment is disclosed in Note 3. An increase/decrease of 1-year useful life of the plant and equipment will increase and decrease the Home's surplus for the year by approximately \$103,509 and \$159,578, respectively (2024 - \$101,519 and \$151,735).

Depreciation of investment properties (Note 6)

Investment properties are accounted for using the cost model. The investment properties are depreciated on a straight-line basis over their estimated useful lives. The Home estimates the useful lives of investment properties to be 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of the Home's investment properties is disclosed in Note 6. An increase/decrease of 1-year useful life of these investment properties will increase and decrease the Home's surplus for the year by approximately \$115,309 and \$129,245, respectively (2024 - \$3,768 and \$3,922).

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 ("IRIL") and, if the IRIL 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 IRIL 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 have no significant impact on the Home's carrying value of the right-of-use assets and lease liabilities.

2(e) Material accounting policy information

Plant and equipment

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

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

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

Plant and equipment (Cont'd)

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

Intangible assets acquired separately

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.

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.

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

Leases (Cont'd)

The Home as lessee (Cont'd)

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.

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.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

Leases (Cont'd)

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.

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.

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

Investment properties

Investment properties include freehold and leasehold commercial buildings held for long term rental yields 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.

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.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

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.

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.

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

Financial assets

(i) Classification

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.

(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".

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

Financial assets (Cont'd)

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".

(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.

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

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.

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.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

Impairment of financial assets (Cont'd)

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

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.

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.

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

Impairment of financial assets (Cont'd)

(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.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

Impairment of financial assets (Cont'd)

(v) Measurement and recognition of expected credit losses

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.

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 characteristic

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.

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.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined contribution plans

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.

(ii) Employee leave entitlements

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.

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

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.

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 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.

(ii) 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.

(iii) 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.

(iv) Interest income

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

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

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

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 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 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.

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.

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.

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

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 (continued)

for the financial year ended 31 December 2025

3 Plant and equipment

	Computers \$	Electrical equipment \$	Furniture and fittings \$	Other equipment \$	Other Motor vehicles \$	Motor vehicles \$	Renovation \$	Total \$
<u>Cost</u>								
At 1 January 2024	312,955	6,481	535,118	748,544	713,855	1,866,284		4,183,237
Additions	31,031	-	22,644	130,373	-	14,301		198,349
Written off	-	-	(1,449)	(24,130)	(218,255)	-		(243,834)
At 31 December 2024	343,986	6,481	556,313	854,787	495,600	1,880,585		4,137,752
Additions	74,305	14,326	53,105	148,839	-	160,420		450,995
Written off	(14,362)	-	(7,495)	(20,181)	-	-		(42,038)
At 31 December 2025	403,929	20,807	601,923	983,445	495,600	2,041,005		4,546,709
<u>Accumulated depreciation</u>								
At 1 January 2024	280,554	4,690	437,605	566,220	597,092	567,029		2,453,190
Depreciation for the year	25,866	962	41,907	113,183	25,400	358,370		565,688
Written off	-	-	(1,142)	(24,130)	(183,242)	-		(208,514)
At 31 December 2024	306,420	5,652	478,370	655,273	439,250	925,399		2,810,364
Depreciation for the year	35,172	3,231	45,913	134,497	19,220	372,555		610,588
Written off	(14,362)	-	(7,495)	(19,483)	-	-		(41,340)
At 31 December 2025	327,230	8,883	516,788	770,287	458,470	1,297,954		3,379,612
<u>Carrying amount</u>								
At 31 December 2025	76,699	11,924	85,135	213,158	37,130	743,051		1,167,097
At 31 December 2024	37,566	829	77,943	199,514	56,350	955,186		1,327,388

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

4 Intangible assets

	Software \$
<u>Cost</u>	
At 1 January 2024, at 31 December 2024 and at 31 December 2025	69,650
<u>Accumulated amortisation</u>	
At 1 January 2024	38,812
Amortisation for the year	19,243
At 31 December 2024	58,055
Amortisation for the year	9,030
At 31 December 2025	67,085
<u>Carrying amount</u>	
At 31 December 2025	2,565
At 31 December 2024	11,595

5 Right-of-use assets

	Office equipment \$	Office premises \$	Computers \$	Reinstatement cost \$	Total \$
<u>Cost</u>					
At 1 January 2024	62,243	1,594,853	41,070	57,814	1,755,980
Additions	-	308,999	49,551	-	358,550
Expiry of lease contracts	-	(512,507)	-	-	(512,507)
Adjustment	-	-	-	12,186	12,186
At 31 December 2024	62,243	1,391,345	90,621	70,000	1,614,209
Additions	-	293,715	-	31,940	325,655
Lease modification	-	575,526	-	-	575,526
At 31 December 2025	62,243	2,260,586	90,621	101,940	2,515,390
<u>Accumulated depreciation</u>					
At 1 January 2024	5,186	1,124,048	7,845	42,732	1,179,811
Depreciation for the year	12,449	460,165	18,488	18,261	509,363
Expiry of lease contracts	-	(512,507)	-	-	(512,507)
Adjustment	-	-	-	9,007	9,007
At 31 December 2024	17,635	1,071,706	26,333	70,000	1,185,674
Depreciation for the year	12,449	585,479	30,207	14,518	642,653
At 31 December 2025	30,084	1,657,185	56,540	84,518	1,828,327
<u>Carrying amount</u>					
At 31 December 2025	32,159	603,401	34,081	17,422	687,063
At 31 December 2024	44,608	319,639	64,288	-	428,535

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

Details of the Home's significant right-of-use assets as at 31 December 2025 and 31 December 2024 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 2024
991 Alexandra Road #01-03A Singapore 119964	Office buildings	2,000 sqft	1 years 7 months leasehold commenced 1 June 2025
991 Alexandra Road #01-04 Singapore 119964	Office buildings	4,000 sqft	2 years leasehold commenced 1 Jan 2025
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
BLK 510 West Coast Drive #01-315 Singapore 120510	Housing and Development Board ("HDB")	N/A	3 years leasehold Commenced 16 Nov 2025

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

	2025 \$	2024 \$
Depreciation expenses on right-of-use assets	642,653	509,363

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

6 Investment properties

	Freehold buildings \$	Leasehold buildings \$	Total \$
<u>Cost</u>			
At 1 January 2024 and 31 December 2024	9,608,448	-	9,608,448
Addition	-	8,353,075	8,353,075
Adjustment*	(548,548)	-	(548,548)
At 31 December 2025	9,059,900	8,353,075	17,412,975
<u>Accumulated depreciation</u>			
At 1 January 2024	240,211	-	240,211
Depreciation for the year	192,169	-	192,169
At 31 December 2024	432,380	-	432,380
Depreciation for the year	156,513	69,609	226,122
At 31 December 2025	588,593	69,609	658,502
<u>Carrying amount</u>			
At 31 December 2025	8,471,307	8,283,466	16,754,473
At 31 December 2024	9,176,068	-	9,176,068

*Related to GST paid for purchase of freehold buildings in previous years which was refunded by IRAS during the financial year.

Details of the Home's investment properties as at 31 December 2025 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
105 Dunlop Road Singapore 209424	2-storey shophouse	2,108 sq ft	Leasehold

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

	2025 \$	2024 \$
Rental income (Note 14)	426,025	331,344
Direct operating expenses arising from:		
- Investment properties that generate rental income	(34,525)	(31,900)
- Depreciation expenses on investment properties	(226,122)	(192,169)

6 Investment properties (Cont'd)

The estimated fair value of the investment properties amounted to \$20,300,000 (2024 - \$10,500,000), classified under Level 3 of the fair value hierarchy, which was determined based on management's assessment of comparable properties in the market as at 31 December 2025. The key input applied in the estimation of the investment property is listed price per square foot. Further information regarding the fair value measurement of the Home's investment properties are provided in Note 24.

7 Receivables

	2025 \$	2024 \$
Deposits	181,630	416,595
Receivables from residents	130,466	93,476
Other receivables	9,870	2,346
Accrued grants/funding receivables	1,634,693	1,609,065
Interest receivables	146,653	392,714
At amortised cost	2,103,312	2,514,196
Prepayments	1,007,463	656,745
GST receivable	332,778	-
	3,443,553	3,170,941

Receivables from residents

The average credit term period on receivables from residents is 7 days (2024 - 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 patient's 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.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

8 Cash and bank balances

	2025	2024
	\$	\$
Cash in hands	5,218	5,726
Cash at bank	5,028,198	3,965,841
Fixed deposits	39,182,544	42,283,969
As per the statement of cash flows	44,215,960	46,255,536

Fixed deposits bear interest rates ranging from 0.72 % to 3.74% (2024 - 2.14% to 3.97%) per annum and for a tenure between 1 to 12 months (2024 - 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

	2025	2024
	\$	\$
<u>Mid Term Plan</u>		
At 1 January	1,226,282	1,785,129
Fund utilised	(691,176)	(558,847)
Transfer to unrestricted fund	(535,106)	-
At 31 December	-	1,226,282

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 MTP comprising initiatives to be implemented from 2023 to 2025. In 2022, 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 (17 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 tagged and reduced from designated fund.

During the year, utilisation of the fund amounted to \$691,176 (2024 - \$558,847). The remaining unutilised balance amounted to \$535,106 (2024 - Nil) was transferred back to the unrestricted fund following approval by Management Committee.

10 Restricted funds

	Community Silver Trust Fund \$	Evergreen Place, Home@ Hong San Fund \$	Ministry of Health Centre- based Services Fund \$	Ministry of Health Active Ageing Centre Fund \$	Ministry of Health Integrated Home and Day Care Fund \$	FUN! Fund \$	Total \$
At 1 January 2024	5,978,425	-	-	-	-	-	5,978,425
Deficit for the year	-	(2,417,386)	(933,781)	(182,267)	(828,085)	-	(4,361,519)
Transfer from general fund	-	2,417,386	933,781	182,267	828,085	-	4,361,519
Funds utilised	(3,013,239)	-	-	-	-	-	(3,013,239)
At 31 December 2024	2,965,186	-	-	-	-	-	2,965,186
Deficit for the year	-	(1,926,242)	(1,077,475)	(529,110)	(466,524)	-	(3,999,351)
Transfer from general fund	-	1,926,242	1,077,475	529,110	466,524	14,800	4,014,151
Funds received	3,665,468	-	-	-	-	-	3,665,468
Funds utilised	(3,155,020)	-	-	-	-	-	(3,155,020)
At 31 December 2025	3,475,634	-	-	-	-	14,800	3,490,434

Community Silver Trust ("CST") Fund

CST 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 ("AIC").

Evergreen Place, Home @ HongSan Fund

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

Ministry of Health Centre-based Services Fund

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

Ministry of Health Active Ageing Centre Fund

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

Ministry of Health Integrated Home and Day Care Fund

The Ministry of Health Integrated Home and Day Care 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.

FUN! Fund

The FUN! Fund is a Community Impact Fund created through a partnership between AIC and The Community Foundation of Singapore on its purpose is to support initiatives that bring joy to seniors receiving Community Care services and to help Community Care Organisations develop fun and impactful programmes for seniors. The FUN! Fund focuses on innovative ways to engage and care for seniors, ensuring they have enjoyable and enriching experiences.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

10 Restricted funds (Cont'd)

2025	Ministry of Health Community Rehabilitation	Ministry of Health Maintenance Exercise	Ministry of Health Dementia Day Care	Ministry of Health Maintenance Day Care	Ministry of Health Centre-based Nursing	Ministry of Health Centre-based Services Fund
Note A	\$	\$	\$	\$	\$	\$
Income:						
<i>Voluntary income:</i>						
Donations	1,419	411	5,097	3,510	-	10,437
Funding from Ministry of Health	342,800	79,009	921,492	791,639	73	2,135,013
Agency for Integrated Care subsidy	8,376	1,645	30,901	27,530	4	68,456
Funding under CST from AIC	380,968	92,111	876,337	793,269	181	2,142,866
Funding under CCSE from AIC	109,464	25,162	268,077	236,854	53	639,610
Rental subvention from Ministry of Health and Ministry of Social and Family Development	12,406	2,237	14,737	11,708	8	41,096
<i>Income from charitable activities:</i>						
Income from residents	100,481	20,257	261,569	229,298	116	611,721
Other income	41,197	9,366	94,463	79,776	19	224,821
Total income	997,111	230,198	2,472,673	2,173,584	454	5,874,020
Expenditures						
<i>Costs of charitable activities</i>						
<i>Employee benefits expenses</i>						
Accommodation	15,245	3,279	35,475	42,604	8	96,611
Central provident fund contribution	67,798	16,321	180,733	149,736	31	414,619
Medical expenses	5,137	1,145	12,089	10,778	2	29,151
Foreign workers levy	22,180	4,603	39,431	45,469	13	111,696
Staff salary, overtime and bonuses	643,256	155,452	1,751,573	1,530,507	286	4,081,074
Recruitment expenses	302	64	690	614	-	1,670
Training and seminar	3,138	704	8,119	7,365	2	19,328
Staff welfare	9,692	2,275	26,384	22,916	4	61,271
Other employee benefit expenses	7,757	1,884	19,477	16,743	3	45,864
<i>Resident Related expenses</i>						
Corporate Events - Expenses	366	85	904	797	-	2,152
Entertainment	46	16	143	138	-	343
Doctor's retainer fees	1,864	406	5,482	5,047	1	12,800
Festival celebration	1,065	198	2,514	2,041	1	5,819
Groceries	22,273	5,358	65,615	59,090	9	152,345
Occupational therapy expenses	10,376	2,765	30,928	30,032	4	74,105
Physiotherapy expenses	23,220	5,861	43,956	36,763	11	109,811
Resident expenses	10,680	2,395	26,667	24,263	5	64,010
SASCO Charity Assistance to clients	9,680	1,762	21,053	20,458	5	52,958
<i>Other expenses</i>	-	-	-	-	-	-
	854,075	204,573	2,271,233	2,005,361	385	5,335,627
<i>Costs of governance activities</i>						
Audit fee	6,007	1,364	15,363	13,667	3	36,404
Professional charges	6,924	1,328	13,424	12,251	4	33,931
	12,931	2,692	28,787	25,918	7	70,335
<i>Other expenditures</i>						
<i>Depreciation expense</i>						
Depreciation of plant and equipment	63,470	14,614	138,459	133,727	32	350,302
Depreciation of right-of-use assets	27,602	6,356	68,492	60,544	13	163,007
<i>Other expenses</i>	220,865	45,198	407,030	352,606	122	1,025,821
	311,937	66,168	613,981	546,877	167	1,539,130
Finance costs	1,074	247	2,693	2,388	1	6,403
Total expenditures	1,180,017	273,680	2,916,694	2,580,544	560	6,951,495
Deficit for the year	(182,906)	(43,482)	(444,021)	(406,960)	(106)	(1,077,475)
Transfer from general fund	182,906	43,482	444,021	406,960	106	1,077,475
At 31 December 2025	-	-	-	-	-	-

10 Restricted funds (Cont'd)

2024	Evergreen Place, Home @ HongSan Fund \$	Ministry of Health Centre-based Services Fund \$	Ministry of Health Active Ageing Centre Fund \$	Ministry of Health Integrated Home and Day Care Fund \$
Note A				
Income:				
<i>Voluntary income:</i>				
Donations	324,875	9,842	38,204	4,833
Funding from Ministry of Social and Development	1,193,426	-	-	-
Funding from Ministry of Health Agency for Integrated Care subsidy	-	1,626,703	-	39,571
Funding under CST from AIC	22,350	1,518,947	-	1,132,253
Funding under CCSE from Agency of Integrated Care	-	377,122	-	187,604
Rental subvention from Ministry of Health and Ministry of Social and Family Development	280,467	27,439	82,574	43,614
<i>Income from charitable activities:</i>				
Income from residents	402,142	667,146	112,591	325,713
Other income	201,840	332,004	202,869	261,456
Total income	2,425,100	4,580,531	2,240,186	3,385,312
Expenditures				
<i>Costs of charitable activities</i>				
<i>Employee benefits expenses</i>				
Accommodation	32,418	88,651	-	57,335
Central provident fund contribution	270,407	397,766	156,974	290,134
Medical expenses	22,305	30,630	6,612	21,030
Foreign workers levy	73,664	93,000	7,170	78,317
Staff salary, overtime and bonuses	2,472,637	3,258,374	1,039,833	2,367,215
Recruitment expenses	1,106	2,133	961	1,588
Training and seminar	24,230	21,815	15,594	17,372
Staff welfare	30,125	37,997	9,720	27,154
Other employee benefit expenses	11,376	32,293	5,099	21,468
<i>Resident Related expenses</i>				
Doctor's retainer fees	5,095	2,024	-	2,006
Festival celebration	14,780	4,273	21,081	4,355
Groceries	355,069	112,069	12,423	70,977
Occupational therapy expenses	32,800	91,690	-	52,174
Physiotherapy expenses	52,700	93,770	-	102,830
Resident expenses	92,470	61,945	620,241	45,207
SASCO Charity Assistance to clients	218,630	61,097	-	52,650
<i>Other expenses</i>	1,285	124	63	95
	3,711,097	4,389,651	1,895,771	3,211,907
<i>Costs of governance activities</i>				
Audit fee	25,443	36,505	12,235	26,960
Professional charges	8,116	39,120	31,334	53,212
	33,559	75,625	43,569	80,172
<i>Other expenditures</i>				
<i>Depreciation expense</i>				
Depreciation of plant and equipment	49,181	269,675	26,959	218,370
Amortisation of intangible asset	1,265	2,274	13,954	1,740
Depreciation of right-of-use assets	219,310	100,160	121,880	76,565
<i>Other expenses</i>	818,659	673,996	312,687	622,415
	1,088,415	1,046,105	475,480	919,090
Finance costs	9,415	2,931	7,633	2,229
Total expenditures	4,842,486	5,514,312	2,422,453	4,213,398
Deficit for the year	(2,417,386)	(933,781)	(182,267)	(828,085)
Transfer from general fund	2,417,386	933,781	182,267	828,085
At 31 December 2024	-	-	-	-

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

10 Restricted funds (Cont'd)

2024 Note A	Ministry of Health Community Rehabilitation	Ministry of Health Maintenance Exercise	Ministry of Health Dementia Day Care	Ministry of Health Maintenance Day Care	Ministry of Health Centre-based Nursing	Ministry of Health Centre-based Services Fund
	\$	\$	\$	\$	\$	\$
Income:						
<i>Voluntary income:</i>						
Donations	1,174	439	4,084	4,140	5	9,842
Funding from Ministry of Health	145,886	44,753	791,000	644,618	446	1,626,703
Agency for Integrated Care subsidy	2,255	535	9,319	9,212	7	21,328
Funding under CST from AIC	203,901	58,184	618,616	637,607	639	1,518,947
Funding under CCSE from Agency Of Integrated Care	27,923	11,098	175,822	162,120	159	377,122
Rental subvention from Ministry Of Health and Ministry of Social And Family Development	5,715	909	11,596	9,208	11	27,439
<i>Income from charitable activities:</i>						
Income from residents	72,060	11,834	330,764	252,359	129	667,146
Other income	38,803	11,041	150,256	131,760	144	332,004
Total income	497,717	138,793	2,091,457	1,851,024	1,540	4,580,531
Expenditures						
<i>Costs of charitable activities</i>						
<i>Employee benefits expenses</i>						
Accommodation	7,861	1,916	35,882	42,966	26	88,651
Central provident fund contribution	43,418	13,107	181,385	159,681	175	397,766
Medical expenses	3,022	851	13,317	13,428	12	30,630
Foreign workers levy	11,068	2,388	37,389	42,125	30	93,000
Staff salary, overtime and bonuses	354,313	103,750	1,456,154	1,342,799	1,358	3,258,374
Recruitment expenses	236	64	924	908	1	2,133
Training and seminar	2,544	645	9,284	9,334	8	21,815
Staff welfare	4,033	1,102	16,253	16,594	15	37,997
Other employee benefit expenses	3,224	1,022	14,660	13,373	14	32,293
<i>Resident Related expenses</i>						
Doctor's retainer fees	250	45	850	879	-	2,024
Festival celebration	540	148	2,242	1,341	2	4,273
Groceries	10,581	3,441	50,929	47,071	47	112,069
Occupational therapy expenses	9,587	2,925	36,443	42,702	33	91,690
Physiotherapy expenses	17,257	3,991	37,258	35,222	42	93,770
Resident expenses	5,721	1,405	26,913	27,886	20	61,945
SASCO Charity Assistance to clients	4,798	1,056	30,462	24,759	22	61,097
<i>Other expenses</i>	13	4	56	51	-	124
	478,466	137,860	1,950,401	1,821,119	1,805	4,389,651
<i>Costs of governance activities</i>						
Audit fee	3,706	1,026	16,373	15,386	14	36,505
Professional charges	1,445	405	31,836	5,408	26	39,120
	5,151	1,431	48,209	20,794	40	75,625
<i>Other expenditures</i>						
<i>Depreciation expense</i>						
Depreciation of plant and equipment	32,043	7,950	113,758	115,824	100	269,675
Amortisation of intangible asset	251	70	1,018	934	1	2,274
Depreciation of right-of-use assets	11,004	3,060	44,814	41,242	40	100,160
<i>Other expenses</i>	83,311	20,034	305,332	265,043	276	673,996
	126,609	31,114	464,922	423,043	417	1,046,105
Finance costs	312	86	1,311	1,221	1	2,931
Total expenditures	610,538	170,491	2,464,843	2,266,177	2,263	5,514,312
Deficit for the year	(112,821)	(31,698)	(373,386)	(415,153)	(723)	(933,781)
Transfer from general fund	112,821	31,698	373,386	415,153	723	933,781
At 31 December 2024	-	-	-	-	-	-

11 Lease liabilities

	2025 \$	2024 \$
Undiscounted lease payments due:		
- Year 1	614,163	283,881
- Year 2	58,547	141,721
- Year 3	36,292	26,327
- Year 4	-	8,099
	709,002	460,028
Less: future finance charges	(12,320)	(18,259)
Present value of lease liabilities	696,682	441,769
Presented as:		
- Current	603,857	269,978
- Non-current	92,825	171,791
	696,682	441,769

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, 3 years for premises and 3 years for computers.

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

For certain leases, the Home is restricted from entering into any sub-lease arrangements.

Rental expenses not capitalised in lease liabilities under non-cancellable operating leases but recognised within "other expenditure" in statement of financial activities are set out below:

	2025 \$	2024 \$
Short-term leases:		
- Not later than one year	73,117	73,117

Interest expense on lease liabilities of \$25,354 (2024 - \$18,814) is recognised within "finance costs" in statement of financial activities.

Total cash outflows (including interest paid) for all leases in the year amounted to \$712,799 (2024 - \$574,955).

As at 31 December 2025, 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 (continued)

for the financial year ended 31 December 2025

12 Provisions

	2025	2024
	\$	\$
<u>Non-current</u>		
At 1 January	70,000	66,593
Provision made	31,940	-
Unwinding of discount	1,356	3,407
At 31 December	103,296	70,000

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

Interest expense on provision of \$1,356 (2024 - \$3,407) is recognised within "finance costs" in statement of financial activities.

13 Other payables

	2025	2024
	\$	\$
Accruals for staff costs	1,774,135	1,814,795
Other accruals	248,398	195,036
Sundry creditors	392,560	44,866
Payables to a related party	346,982	270,590
Other residents' deposits	97,166	83,690
At amortised cost	2,859,241	2,408,977
Deferred income (Note A)	1,379,798	1,558,911
GST payable	-	43,077
	4,239,039	4,010,965

Other payables are non-interest bearing and have an average credit term of 30 to 60 days (2024 - 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:

Deferred income represents funds received in advance from government agencies for programmes or projects, which will be recognised as income over the period when the related services or activities are performed.

The movement in deferred income is set out as below:

	2025	2024
	\$	\$
<u>Deferred income</u>		
At 1 January	1,558,911	1,413,305
Addition for the year	689,773	733,860
Amortisation for the year	(868,886)	(588,254)
At 31 December	1,379,798	1,558,911

13 Other payables (Cont'd)

Amortisation for the year is recognised in the following line items in the Statement of Financial Activities:

	2025	2024
	\$	\$
Funding from Ministry of Health Agency for Integrated Care subsidy	186,870	186,870
Funding under Community Silver Trust ("CST") from Agency of Integrated Care ("AIC")	99,598	86,472
Other income	566,751	248,032
	15,667	66,880
	868,886	588,254

14 Other income

	2025	2024
	\$	\$
Special employment credit	20,352	35,457
Other government grant ⁽¹⁾	100,392	441,879
Rental income (Note 6)	426,026	331,344
Miscellaneous income ⁽²⁾	237,305	191,040
	784,075	999,720

⁽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, charges for usage of office premises and insurance claim.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

15 Costs of charitable activities

Cost of charitable activities include:

	2025	2024
	\$	\$
Foreign worker levies	249,935	259,338
Groceries	501,634	534,626
Occupational therapy expenses	123,750	177,010
Physiotherapy expenses	192,665	250,165
Resident expenses	741,880	782,813
Database management expenses	1,196,742	1,289,322
Fund-raising expenses	2,176,147	1,600,918
SASCO charity assistance to clients	289,161	90,915
Bank administrative charges	233,568	192,371
Management & Data Entry Services	937,107	-
Employee benefits expenses:		
- Central Provident Fund contribution	1,038,384	1,143,866
- Staff salaries, overtime, and bonuses	9,784,364	9,151,661
- Medical expenses	74,615	82,234
- Other employee benefit expenses	64,659	49,462

16 Costs of governance activities

Costs of governance activities include:

	2025	2024
	\$	\$
Board Member expenses	54,013	36,667
Audit fees	54,000	54,000
Audit-related services fees	21,300	21,300
Professional charges	69,137	131,837

17 Other expenditure

Other expenditure include:

	2025	2024
Note	\$	\$
Printing and stationery	20,596	26,534
Repairs and maintenance	76,814	80,428
Security services	70,600	74,120
Depreciation of plant and equipment	3 610,588	565,688
Amortisation of intangible assets	4 9,030	19,243
Depreciation of right-of-use assets	5 642,653	509,363
Depreciation of investment properties	6 226,122	192,169
Insurance	85,114	27,267
Lease expenses relating to short-term leases	11 73,117	73,117
Utilities	259,638	279,712
Telecommunication	68,219	67,240
Outsource service fees	502,231	247,383
IT expenses	797,934	480,434
Conservancy and service charges	178,640	178,057
Non claimable GST	591,054	76,981
Marketing expenses	70,380	66,213

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.

	2025	2024
	\$	\$
Donations for which tax-exempt receipts were issued	13,277,109	10,793,781

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.

Notes to the Financial Statements (continued)

for the financial year ended 31 December 2025

20 Significant related party transactions (Cont'd)

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:

	2025 \$	2024 \$
Receipt of AIC grant by a related party on behalf of the Home	9,551,154	5,517,523
AIC grant transferred to Home by a related party	(9,551,154)	(5,517,523)
Donation service fees expense	3,372,889	2,889,507
Others: Reimbursement of expenses	96,173	13,025
Payments made on behalf by a related party	713,273	19,911
Rent and office expense chargeable by a related party	56,472	92,536

Compensation of key management personnel

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

	2025 \$	2024 \$
Short-term benefit	503,986	414,030
Post-employment benefits	7,650	7,650
	511,636	421,680

Number of key managements in remuneration bands:

	2025	2024
\$300,001 and above	1	1
\$200,001- \$300,000	-	-
\$200,000 and below	-	-
	1	1

The annual remuneration (comprising basic salary, bonuses, allowances, and employer's contribution to Central Provident Fund) of the three (2024 - three) highest paid staff classified by remuneration bands are as follows:

	2025	2024
\$400,001- \$500,000	1*	1*
\$300,001- \$400,000	-	-
\$200,001- \$300,000	1	-
\$200,000 and below	1	2
	3	3

*Remuneration band is for SASCO Senior Citizens' Home only.

20 Significant related party transactions (Cont'd)

Compensation of key management personnel (Cont'd)

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:

	2025	2024	
			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:

	2025 \$	2024 \$
Capital commitment for future expenditure for:		
- software	-	129,052

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 and currency risk), credit risk and liquidity 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 and foreign exchange 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 (continued)

for the financial year ended 31 December 2025

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 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 Dollar. Hence, the Home does not have exposure to foreign currency risk.

22.3 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 (Note7).

The Home has adopted procedures in monitoring its credit risk. Cash and bank balances 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 Financial risk management (Cont'd)

22.4 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.

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-----			Total \$	Carrying amount \$
	Less than 1 year \$	Between 2 to 5 years \$	Over 5 years \$		
2025					
Lease liabilities	614,163	94,839	-	709,002	696,682
Other payables*	2,859,241	-	-	2,859,241	2,859,241
	3,473,404	94,839	-	3,568,243	3,555,923
2024					
Lease liabilities	283,881	176,147	-	460,028	441,769
Other payables*	2,408,977	-	-	2,408,977	2,408,977
	2,692,858	176,147	-	2,869,005	2,850,746

* exclude deferred income and GST payable

23 Financial instruments

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

	2025 \$	2024 \$
At amortised cost		
Financial assets		
Receivables*	2,103,312	2,514,196
Cash and bank balances	44,215,960	46,255,536
	46,319,272	48,769,732
At amortised cost		
Financial liabilities		
Lease liabilities	696,682	441,769
Other payables**	2,859,241	2,408,977
	3,555,923	2,850,746

* exclude prepayment and GST receivable

** exclude deferred income and GST payable

Notes to the Financial Statements

for the financial year ended 31 December 2025

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	Carrying amount \$	Level 1 \$	Level 2 \$	Level 3 \$
2025					
Non-financial assets					
Investment properties	6	16,754,473	-	-	20,300,000
2024					
Non-financial assets					
Investment properties	6	9,176,068	-	-	10,500,000

Fair value measurement of financial assets and liabilities

The carrying amounts of cash and bank balances, 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.

There was no transfer from Level 1 and Level 2 and Level 3 during the financial year ended 31 December 2025 and 31 December 2024.