APEX HARMONY LODGE

(Registered in Singapore
under the Societies Act)

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

CONTENTS

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT BY MANAGEMENT COMMITTEE

On behalf of the Management Committee, we do hereby state that in our opinion, the financial statements of Apex Harmony Lodge (the "Home") as set out on pages 6 to 30 are properly drawn up in accordance with the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Home as at 31 December 2023, and of the financial performance, changes in funds and cash flows of the Home for the financial year ended on that date.

On behalf of the Management Committee

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Gan Boon Jin
Chairman

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Leow Tze Wen
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Leow Tze Wen
Treasurer

8 March 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Apex Harmony Lodge (the "Home") as set out on pages 6 to 30, which comprise the balance sheet as at 31 December 2023, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Home as at 31 December 2023 and of the financial performance, changes in funds and cash flows of the Home for the financial year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 3 to the financial statements. Management Committee has estimated the useful life of the Home's leasehold building to be 30 years. This is not in compliance with FRS 16 *Property, Plant and Equipment* as the Home only has a 3 years lease agreement for the land on which the leasehold building is erected. Information about Management Committee's assumptions and estimation of the useful life of the Home's leasehold building are disclosed in Note 3 and we concur with Management Committee's basis as disclosed therein. The carrying amount of the leasehold building at the balance sheet date, together with the effect on the financial statements had the Home comply with FRS 16 are disclosed in Note 3. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX HARMONY LODGE (cont'd)
(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Other Information

The Management Committee is responsible for the other information. The other information comprises the Statement by Management Committee as set out on page 1 and the Annual Report for the financial year ended 31 December 2023, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Committee and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, Management Committee is responsible for assessing the Home's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management Committee either intends to liquidate the Home or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for 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.

Report on the Audit of the Financial Statements (cont'd)

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Home's internal control.

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

- Conclude on the appropriateness of Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Home's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Home to cease to continue as a going concern.

- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
APEX HARMONY LODGE (cont'd)
(Registered in Singapore under the Societies Act)

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 Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

(i) the Home has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

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

DocuSigned by:
Baker Tilly
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Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

8 March 2024

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2023

	Note	Unrestricted Funds Residents $	Restricted Funds $	Total $
2023				
Income				
Voluntary income				
Tax deductible donations	22	169,067	–	**169,067**
Non tax deductible donations		246,614	–	**246,614**
		415,681	–	**415,681**
Charitable income				
Resident fees		1,731,811	–	**1,731,811**
Grants and subsidies				
Land rental subsidy		546,153	–	**546,153**
Recurrent funding		4,650,124	–	**4,650,124**
Capital grant subsidy	9	303,132	–	**303,132**
Medifund subsidy	16	1,839,786	–	**1,839,786**
Financial Assistance Scheme subsidy		43,596	–	**43,596**
Community Silver Trust Fund	15	–	415,681	**415,681**
Tote Board		7,066	–	**7,066**
Other subsidies	4	1,634,938	–	**1,634,938**
		9,024,795	415,681	**9,440,476**
Other income				
Sundry income		66,179	–	**66,179**
Bank and fixed deposit interest		655,242	124	**655,366**
		721,421	124	**721,545**
Total income		11,893,708	415,805	**12,309,513**

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2023

	Note	Unrestricted Funds Residents $	Restricted Funds $	Total $
2023				
Expenses				
Cost of charitable activities				
Amortisation of Asset Capitalisation Reserve	19	(370,878)	370,878	–
(Reversal of)/allowance for impairment of receivables	7	15,161	–	**15,161**
Depreciation	5	1,826,298	–	**1,826,298**
Loss on disposal of property, plant and equipment		498	–	**498**
Food expenses		656,579	–	**656,579**
Goods and Services Taxes		222,844	–	**222,844**
Housekeeping		402,144	–	**402,144**
IT & software expenses		64,782	–	**64,782**
Laundry		118,966	–	**118,966**
Medical		451,264	–	**451,264**
Minor assets expenses		19,744	4,203	**23,947**
Professional fees		314,124	151,929	**466,053**
Staff costs	23	5,798,430	227,630	**6,026,060**
Staff allowances	23	100,182	264	**100,446**
Staff training		35,460	–	**35,460**
Staff welfare		25,659	–	**25,659**
Transport		30,000	–	**30,000**
Uniforms		5,638	–	**5,638**
Utilities		265,455	–	**265,455**
		9,982,350	754,904	**10,737,254**
Administrative and other operating expenses				
Audit fees		17,000	–	**17,000**
Bank charges		3,391	168	**3,559**
General expenses		142,675	–	**142,675**
Insurance		57,608	–	**57,608**
Interest expense - Leases		42,934	–	**42,934**
Landscape		86,278	–	**86,278**
Printing and stationeries		17,396	–	**17,396**
Repairs and maintenance		209,389	–	**209,389**
Telephone		12,543	–	**12,543**
		589,214	168	**589,382**
Total expenses		10,571,564	755,072	**11,326,636**
Surplus/(deficit) and total comprehensive income/(loss) for the financial year		1,322,144	(339,267)	**982,877**

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2023

		Unrestricted Funds				
	Note	Residents $	Daycare $	Subtotal $	Restricted Funds $	Grand total $
2022						
Income						
Voluntary income						
Tax deductible donations	22	295,489	–	295,489	–	295,489
Non tax deductible donations		53,790	–	53,790	–	53,790
		349,279	–	349,279	–	349,279
Charitable income						
Resident fees		1,387,505	–	1,387,505	–	1,387,505
Daycare and transportation fees		–	131,841	131,841	–	131,841
		1,387,505	131,841	1,519,346	–	1,519,346
Grants and subsidies						
Land rental subsidy		498,193	20,758	518,951	–	518,951
Recurrent funding		4,350,871	143,259	4,494,130	–	4,494,130
Capital grant subsidy	9	291,007	12,125	303,132	–	303,132
Medifund subsidy	16	1,761,463	–	1,761,463	–	1,761,463
Community Silver Trust Fund	15	–	–	–	349,278	349,278
Tote Board		–	94,224	94,224	–	94,224
Other subsidies	4	1,725,536	–	1,725,536	65,000	1,790,536
		8,627,070	270,366	8,897,436	414,278	9,311,714
Other income						
Sundry income		57,500	–	57,500	–	57,500
Bank and fixed deposit interest		82,630	–	82,630	124	82,754
		140,130	–	140,130	124	140,254
Total income		10,503,984	402,207	10,906,191	414,402	11,320,593

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2023

		Unrestricted Funds				
	Note	Residents $	Daycare $	Subtotal $	Restricted Funds $	Grand total $
2022						
Expenses						
Cost of charitable activities						
Amortisation of Asset Capitalisation Reserve	19	(363,611)	–	(363,611)	363,611	–
(Reversal of)/allowance for impairment of receivables	6	(19,700)	–	(19,700)	–	(19,700)
Depreciation	5	1,741,261	72,553	1,813,814	–	1,813,814
Gain on disposal of property, plant and equipment		(3,803)	–	(3,803)	–	(3,803)
Food expenses		535,416	66,174	601,590	–	601,590
Goods and Services Taxes		184,234	–	184,234	–	184,234
Housekeeping		312,900	38,673	351,573	–	351,573
IT & software expenses		83,831	–	83,831	–	83,831
Laundry		111,004	–	111,004	–	111,004
Medical		551,831	–	551,831	–	551,831
Minor assets expenses		26,568	–	26,568	–	26,568
Professional fees		396,217	–	396,217	–	396,217
Staff costs	23	5,546,150	351,056	5,897,206	282,383	6,179,589
Staff allowances	23	78,273	–	78,273	–	78,273
Staff training		39,323	–	39,323	–	39,323
Staff welfare		64,953	–	64,953	–	64,953
Transport		58,877	–	58,877	–	58,877
Uniforms		5,544	–	5,544	–	5,544
Utilities		257,409	28,601	286,010	–	286,010
Vehicles		2,254	279	2,533	–	2,533
		9,608,931	557,336	10,166,267	645,994	10,812,261
Administrative and other operating expenses						
Audit fees		14,151	1,749	15,900	–	15,900
Bank charges		2,102	–	2,102	64	2,166
General expenses		109,383	2,229	111,612	–	111,612
Insurance		53,181	2,216	55,397	–	55,397
Interest expense - Leases		28,052	–	28,052	–	28,052
Landscape		215,206	8,967	224,173	–	224,173
Printing and stationeries		15,234	1,883	17,117	–	17,117
Repairs and maintenance		166,871	6,953	173,824	–	173,824
Telephone		12,878	–	12,878	–	12,878
		617,058	23,997	641,055	64	641,119
Total expenses		10,225,989	581,333	10,807,322	646,058	11,453,380
Surplus/(deficit) and total comprehensive income/(loss) for the financial year		277,995	(179,126)	98,869	(231,656)	(132,787)

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

BALANCE SHEET
At 31 December 2023

	Note	2023 $	2022 $
Non-current assets			
Property, plant and equipment	5	**7,148,207**	7,046,586
Deferred expenditure	6	**119,760**	159,680
		7,267,967	7,206,266
Current assets			
Inventories		**65,881**	86,758
Receivables	7	**1,228,969**	712,137
Cash and cash equivalents	8	**22,050,901**	19,783,354
		23,345,751	20,582,249
Total assets		**30,613,718**	27,788,515
Non-current liabilities			
Deferred grant	9	**1,212,534**	1,515,666
Lease liability	10	**789,615**	–
		2,002,149	1,515,666
Current liabilities			
Deferred grant	9	**303,132**	303,132
Lease liability	10	**492,318**	266,753
Payables	11	**1,627,585**	1,558,021
		2,423,035	2,127,906
Total liabilities		**4,425,184**	3,643,572
Net assets		**26,188,534**	24,144,943
Funds			
Unrestricted Funds			
General Fund	12	**3,202,777**	6,946,147
Building Fund	13	**14,065,514**	13,000,000
Asset Replacement Fund	14	**4,000,000**	–
		21,268,291	19,946,147
Restricted Funds			
Community Silver Trust Fund	15	**1,429,637**	1,524,789
Medifund	16	**1,409,741**	468,267
Programme Fund	17	**15,000**	115,000
Financial Assistance Scheme Fund	18	**119,196**	–
Asset Capitalisation Reserve	19	**1,946,669**	2,090,740
		4,920,243	4,198,796
Total funds		**26,188,534**	24,144,943

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2023

	Unrestricted			Restricted					
	General Fund	**Building Fund**	**Asset Replacement Fund**	**Community Silver Trust Fund**	**Medifund**	**Programme Fund**	**Financial Assistance Scheme Fund**	**Asset Capitalisation Reserve**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2023									
At 1 January 2023	6,946,147	13,000,000	–	1,524,789	468,267	115,000	–	2,090,740	24,144,943
Surplus/(deficit) and total comprehensive income/(loss) for the financial year	1,322,144	–	–	35,858	60	(4,203)	(104)	(370,878)	982,877
Transfer from General Fund to Building Fund	(1,065,514)	1,065,514	–	–	–	–	–	–	–
Transfer from General Fund to Asset Replacement Fund	(4,000,000)	–	4,000,000	–	–	–	–	–	–
Transfer from CST Fund to Asset Capitalisation Reserve	–	–	–	(131,010)	–	–	–	131,010	–
Transfer from Programme Fund to Asset Capitalisation Reserve	–	–	–	–	–	(95,797)	–	95,797	–
Grant received during the financial year	–	–	–	–	2,781,200	–	119,300	–	2,900,500
Utilisation of Medifund recorded as income in General Fund	–	–	–	–	(1,839,786)	–	–	–	(1,839,786)
At 31 December 2023	**3,202,777**	**14,065,514**	**4,000,000**	**1,429,637**	**1,409,741**	**15,000**	**119,196**	**1,946,669**	**26,188,534**

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF CHANGES IN FUNDS (cont'd)
For the financial year ended 31 December 2023

	← Unrestricted	→	←		Restricted			→	
	General Fund	**Building Fund**	**Community Silver Trust Fund**	**Medifund**	**Programme Fund**	**President's Challenge 2019 Fund**	**Silver is Gold Fund**	**Asset Capitalisation Reserve**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2022									
At 1 January 2021	8,719,184	11,128,094	1,217,894	647,470	100,000	165,000	25,000	2,454,351	24,456,993
Surplus/(deficit) and total comprehensive income/(loss) for the financial year	98,869	–	306,895	60	15,000	(165,000)	(25,000)	(363,611)	(132,787)
Transfer from General Fund to Building Fund	(1,871,906)	1,871,906	–	–	–	–	–	–	–
Grant received during the financial year	–	–	–	1,582,200	–	–	–	–	1,582,200
Utilisation of Medifund recorded as income in General Fund	–	–	–	(1,761,463)	–	–	–	–	(1,761,463)
At 31 December 2022	6,946,147	13,000,000	1,524,789	468,267	115,000	–	–	2,090,740	24,144,943

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

APEX HARMONY LODGE
(Registered in Singapore under the Societies Act)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

	2023 $	2022 $
Cash flows from operating activities		
Surplus/(deficit) for the financial year	**982,877**	(132,787)
Adjustments for:		
Depreciation of property, plant and equipment	**1,826,298**	1,813,814
Loss/(gain) on property, plant and equipment disposed off	**498**	(3,803)
Interest income	**(655,366)**	(82,754)
Amortisation of capital grant	**(303,132)**	(303,132)
Interest expense - Leases	**42,934**	28,052
Operating cash flows before movements in working capital	**1,894,109**	1,319,390
Inventories	**20,877**	29,192
Receivables and deferred expenditure	**(476,912)**	1,818,656
Payables and deferred grant	**69,564**	168,809
Net changes in Medifund	**941,414**	(179,263)
Net changes in Financial Assistance Scheme Fund	**119,300**	–
Net cash generated from operating activities	**2,568,352**	3,156,784
Cash flows from investing activities		
Purchases of property, plant and equipment (Note A)	**(410,018)**	(103,600)
Proceeds from disposal of property, plant and equipment	**–**	4,800
Interest income	**655,366**	82,754
Fixed deposit pledged	**–**	(10,010)
Net cash generated from/(used in) investing activities	**245,348**	(26,056)
Cash flows from financing activities		
Repayment of lease liability	**(503,219)**	(513,463)
Interest expense - Leases	**(42,934)**	(28,052)
Net cash used in financing activities	**(546,153)**	(541,515)
Net increase in cash and cash equivalents	**2,267,547**	2,589,213
Cash and cash equivalents at beginning of financial year	**19,763,344**	17,174,131
Cash and cash equivalents at end of financial year (Note 8)	**22,030,891**	19,763,344

<u>Note A</u>		
Property, plant and equipment purchased during the financial year (Note 5)	**1,928,417**	103,600
Less: Acquired under lease arrangement	**(1,518,399)**	–
	410,018	103,600

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

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

1. General information

Apex Harmony Lodge (the "Home") is registered in the Republic of Singapore under the Societies Act 1966 (the "Societies Act") and the Charities Act 1994 and other relevant regulations. Its principal place of activities is at 10 Pasir Ris Walk, Singapore 518240.

The objectives of the Home are:

(a) to provide residential and respite facilities for patients suffering from dementia;

(b) to provide medical, nursing, social, psychological, occupational and recreational activities for patients; and

(c) to provide psycho-social and educational support to family members and care-givers of the patients.

2. Material accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar ("$"), which is also the functional currency of the Home, have been prepared in accordance with the Societies Act 1966, the Charities Act 1994 and other regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") except for the departure from FRS 16 *Property, Plant and Equipment* which is permitted by FRS 1 *Presentation of Financial Statements* as disclosed in Note 3 to the financial statements. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Management Committee's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgement

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There are no areas requiring significant accounting judgement and key sources of estimation uncertainty except as disclosed in Note 3.

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

2. Material accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Home has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Home's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial statements of the Home except as disclosed below:

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

The amendments to FRS 1 and FRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Home has adopted the amendments to FRS 1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Home's financial statements.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Home.

b) Property, plant and equipment

Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, using the straight-line method as follows:

	Years
Leasehold building	30 (Note 3)
Motor vehicles	5
Other property, plant and equipment	5
Building renovation	10

The right-of-use asset included in leasehold property is depreciated over the lease term of 3 years.

c) Income recognition

Service income

The Home provides residential services for patients suffering from dementia. Such services are recognised as a performance obligation satisfied over time. Service income, comprising resident fees are recognised when services are rendered to the residents which is determined based on the period of residences at the Home.

Donations

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

2. Material accounting policies (cont'd)

d) Income taxes

The Home is a registered charity under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act.

e) Government grants and subsidies

Government grant or subsidy is recognised at its fair value where there is reasonable assurance that the grant or subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised in the statement of financial activities over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as asset capitalization reserve on the balance sheet and is amortised to the statement of financial activities over the expected useful lives of the relevant assets by equal annual instalments.

f) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Home.

3. Critical accounting judgements in applying entity's accounting policies

Management Committee is not aware of any judgement made that have a significant effect on the amounts recognised in the financial statements and key assumptions concerning the future made at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year except as discussed below.

Depreciation of leasehold building

The Home's leasehold building was custom-built for the operating activities of the Home. The building was built with grants from Ministry of Health ("MOH") and although the land lease tenure on which the Home is erected is 3-years renewable basis, the Management Committee believes that the Singapore Land Authority ("SLA"), the landlord, will continue to renew and extend the lease up to the building's useful life of 30 years. As mentioned in Note 9, the Home has also signed an undertaking with MOH to operate as a nursing home for 30 years. Based on the Management Committee's estimate, depreciation is provided on a straight line basis to write off the cost of the leasehold building over its estimated useful life of 30 years, and the depreciation of building renovation is over the estimated useful life of 10 years.

As the Home has no legal right to extend the lease period to 30 years, depreciating the leasehold building over 30 years is not in accordance with FRS 16 *Property, Plant and Equipment*, which requires consideration of the legal rights on the use of the asset in determining its useful life. As the Management Committee is of the view that depreciating the leasehold building over the land's legal lease period of 3 years would not reflect a fair presentation of the Home's financial position and financial performance, the departure from FRS 16 is permitted by FRS 1 *Presentation of Financial Statements*.

As at 31 December 2023, the carrying amount of the leasehold building is $1,983,033 (2022: $2,374,586) and the carrying amount of the building renovation is $3,556,762 (2022: $3,998,912). The lease agreement for the use of the leasehold land was renewed in 2023 and will expire in 2026.

Had the Home depreciated the leasehold building over its 3-year lease period which commenced in year 1999, the carrying amount of the leasehold building at 31 December 2023 would be $Nil (2022: $Nil) and the depreciation expense on the leasehold building for the financial year would be $Nil (2022: $Nil).

4. Other subsidies

	Total funds	
	2023	2022
	$	$
Jobs Growth Incentive	**2,557**	233,039
Community Care Salary Enhancement	**731,416**	447,105
Healthcare Award	**–**	414,203
Silver Support Scheme	**218,605**	181,493
Funding support for Nursing Home Staff	**–**	50,921
Healthcare Productivity Fund	**80,724**	109,373
Senior Management Associate Scheme	**92,398**	33,552
Others	**509,238**	320,850
	1,634,938	1,790,536

5. Property, plant and equipment

	Leasehold property $	**Other property, plant and equipment $**	**Building renovation $**	**Total $**
2023				
Cost				
At 1 January 2023	13,249,396	2,173,367	6,661,061	22,083,824
Additions	1,518,399	178,208	231,810	1,928,417
Disposal	(1,502,789)	(11,909)	–	(1,514,698)
At 31 December 2023	**13,265,006**	**2,339,666**	**6,892,871**	**22,497,543**
Accumulated depreciation				
At 1 January 2023	10,624,344	1,750,745	2,662,149	15,037,238
Depreciation for the financial year	895,085	257,253	673,960	1,826,298
Disposal	(1,502,789)	(11,411)	–	(1,514,200)
At 31 December 2023	**10,016,640**	**1,996,587**	**3,336,109**	**15,349,336**
Net carrying value				
At 31 December 2023	**3,248,366**	**343,079**	**3,556,762**	**7,148,207**

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

	Leasehold property $	Motor vehicles $	Other property, plant and equipment $	Building renovation $	Total $
2022					
Cost					
At 1 January 2022	13,249,396	67,774	2,092,528	6,661,061	22,070,759
Additions	–	–	103,600	–	103,600
Write-off	–	–	(22,761)	–	(22,761)
Disposal	–	(67,774)	–	–	(67,774)
At 31 December 2022	13,249,396	–	2,173,367	6,661,061	22,083,824
Accumulated depreciation					
At 1 January 2022	9,731,861	67,774	1,517,663	1,995,664	13,312,962
Depreciation for the financial year	892,483	–	254,846	666,485	1,813,814
Write-off	–	–	(21,764)	–	(21,764)
Disposal	–	(67,774)	–	–	(67,774)
At 31 December 2022	10,624,344	–	1,750,745	2,662,149	15,037,238
Net carrying value					
At 31 December 2022	2,625,052	–	422,622	3,998,912	7,046,586

(a) Other property, plant and equipment comprise furniture and fittings, beds and beddings, housekeeping and medical equipment, occupational therapy, laundry equipment, kitchen utensils and office equipment.

(b) Included in property, plant and equipment is right-of-use asset of $1,265,334 (2022: $250,466) (Note 24).

6 Deferred expenditure

This represents the fees paid for the use of IngoT system.

7. Receivables

	2023 $	2022 $
Third parties	**182,983**	206,979
Less: Allowance for expected credit losses		
Balance at beginning of financial year	**(73,180)**	(92,880)
Allowance for impairment - lifetime ECL (credit-impaired)	**(15,161)**	(5,700)
Reversal of allowance for impairment - lifetime ECL (credit-impaired)	**–**	16,722
Receivables written off	**361**	8,678
Balance at end of financial year	**(87,980)**	(73,180)
Net	**95,003**	133,799
Grant receivables		
- Community Silver Trust (Note 15)	**764,960**	349,278
- Others	**180,804**	16,745
	945,764	366,023
Sundry receivables	**164,764**	184,183
Prepayment	**9,310**	6,202
Interest receivables	**14,128**	21,930
	1,228,969	712,137

8. Cash and cash equivalents

	2023 $	2022 $
Cash and bank balances	**3,543,565**	2,019,097
Fixed deposits	**18,507,336**	17,764,257
Cash and cash equivalents as presented on balance sheet	**22,050,901**	19,783,354
Less: Fixed deposits pledged	**(20,010)**	(20,010)
Cash and cash equivalents for presentation on statement of cash flows	**22,030,891**	19,763,344

9. Deferred grant

	2023 $	2022 $
Capital grant:		
Balance at beginning of financial year	**9,218,213**	9,218,213
Less: Accumulated amortisation recognised in statement of financial activities		
Balance at beginning of financial year	**7,399,415**	7,096,283
Amortisation for the financial year	**303,132**	303,132
Balance at end of financial year	**7,702,547**	7,399,415
Net carrying amount	**1,515,666**	1,818,798
These represent:		
Non-current	**1,212,534**	1,515,666
Current	**303,132**	303,132
	1,515,666	1,818,798

The capital grant is disbursed on the condition that the Home operates as a nursing home for the duration of 30 years from 1998 as stipulated in the letter of undertaking to the Ministry of Health.

10. Lease liability

	2023 $	2022 $
Non-current	**789,615**	–
Current	**492,318**	266,753
Total	**1,281,933**	266,753

Reconciliation of movements of lease liability to cash flows arising from financing activities:

	Lease liability 2023 $	2022 $
Balance as at 1 January	**266,753**	780,216
Changes from financing cash flows:		
- Repayments	**(503,219)**	(513,463)
- Interest paid	**(42,934)**	(28,052)
Non-cash changes:		
- Interest expense - Leases	**42,934**	28,052
- Addition of new lease	**1,518,399**	–
Balance at 31 December	**1,281,933**	266,753

11. Payables

	2023 $	2022 $
Resident's fee deposits	**428,081**	404,444
Contract liabilities*	**71,915**	86,800
Accrued operating expenses	**728,527**	773,717
Sundry payables	**294,488**	293,060
Funds received in advance	**104,574**	–
	1,627,585	1,558,021

Contract liabilities as at 1 January 2022 amounted to $32,638.

12. General Fund

	2023 $	2022 $
Balance at beginning of financial year	**6,946,147**	8,719,184
Surplus during the financial year	**1,322,144**	98,869
Transfer to Building Fund (Note 13)	**(1,065,514)**	(1,871,906)
Transfer to Asset Replacement Fund (Note 14)	**(4,000,000)**	–
Balance at end of financial year	**3,202,777**	6,946,147

13. Building Fund

	2023 $	2022 $
Balance at beginning of financial year	**13,000,000**	11,128,094
Transfer from General Fund (Note 12)	**1,065,514**	1,871,906
Balance at end of financial year	**14,065,514**	13,000,000

The Building Fund is for the purpose of building replacement.

14. Asset Replacement Fund

	2023 $	2022 $
Balance at beginning of financial year	**–**	–
Transfer from General Fund (Note 12)	**4,000,000**	–
Balance at end of financial year	**4,000,000**	–

Asset replacement fund is for the purpose of repair and maintenance of the building and equipment.

15. Community Silver Trust Fund

On 20 August 2014, the Home signed a Funding Agreement with the Trustees of the Community Silver Trust ("CST"). The CST is administered by Agency for Integrated Care ("AIC") but managed by the Ministry of Health ("MOH") on behalf of the Trustees. CST provides a matching grant one dollar for every donation dollar raised by eligible organisations with proper governance and whose programmes are aligned with the Government's long-term vision for the Intermediate and Long Term Care ("ILTC").

The objective of the CST is to encourage donations and provide additional resources for the service providers in the ILTC sector to enhance their capabilities to provide value-added services to achieve higher quality care and enhance the affordability of step-down care for service users and patients.

The duration of the Funding Agreement signed was for a period of 5 years, with effect from 1 April 2014 to 31 March 2019. The Funding Agreement was renewed with effect from 1 April 2019 to 31 March 2024.

The CST Fund movements during the financial year are as follows:

	2023 **$**	2022 $
Balance at beginning of financial year	**1,524,789**	1,217,894
Income	**415,681**	349,278
Expenditure	**(379,823)**	(42,383)
Surplus during the financial year	**35,858**	306,895
Transfer to Asset Capitalisation Reserve (Note 19)	**(131,010)**	–
Balance at end of financial year	**1,429,637**	1,524,789

Grant income is recognised when attaching conditions are complied with and recoverability of the grant receipts is reasonably assured. As at 31 December 2023, CST grants receivable of $764,960 (2022: $349,278) represents receivable due from MOH. Upon receipt of the grants, the Home is required to fully utilise the grant receipts within 5 years. In the event that the CST Fund are not fully utilised by end of 5 years subsequent to receiving the grants, the Home may be required to return any unutilised portion of the grants. There are no grants received that have expired by 31 December 2023.

16. Medifund

	2023 **$**	2022 $
Balance at beginning of financial year	**468,267**	647,470
Net surplus during the financial year	**60**	60
Grant receipts during the financial year	**2,781,200**	1,582,200
Utilisation of grant receipts recorded as income in General Fund during the financial year	**(1,839,786)**	(1,761,463)
Balance at end of financial year	**1,409,741**	468,267

16. Medifund (cont'd)

The Medifund is a grant from the Medical Endowment Fund ("MEF") set up by the government under the Medical Elderly Care Endowment Act 2000 to assist in the payment of medical care for needy Singaporeans. For the purposes of any written law in Singapore, all monies in the Medifund account are deemed not to form part of the property of the Home if it goes into voluntary or compulsory liquidation. In such event, the monies shall be vested in and paid into the MEF.

Grant income that have been approved for utilisation in the financial year are recognised as income in General Fund during the financial year. Grant receipts are recorded as fund movements and are retained in the Medifund.

Net income represents interest income, bank charges and other incidental items during the financial year.

17. Programme Fund

	2023	2022
	$	$
Balance at beginning of financial year	**115,000**	100,000
Income	**–**	15,000
Expenditure	**(4,203)**	–
(Deficit)/surplus during the financial year	**(4,203)**	15,000
Transfer to Asset Capitalisation Reserve (Note 19)	**(95,797)**	–
Balance at end of financial year	**15,000**	115,000

(a) The funding are from Lien Foundation, Singapore, for the following programmes:

(i) To support a transformational exercise to **remodel** Apex Harmony Lodge and to strengthen its psychosocial capabilities and expertise, coupled with environmental enhancements to the existing facilities, and strengthening its linkages with the wider community. The strategic intent of this project is to influence and uplift care standards in Singapore's nursing homes: by demonstrating how an existing residential care facility can be remodelled to deliver engaging contents and enlivening living environments.

(ii) To implement **Namaste Care** for largely bed bound residents with advanced dementia. Key objectives of this programme are to provide comfort and reduce pain using non-pharmaceutical approach and creating a sensory-stimulating environment for residents with advanced dementia.

The funding for Lien Foundation has been fully utilised during the financial year.

(b) Included in the fund is funding of $15,000 from Community Foundation of Singapore for the programme Connected, enabled and engaged: SL (Supported Living) Community.

18. Financial Assistance Scheme Fund

	2023 $	2022 $
Balance at beginning of financial year	–	–
Deficit during the financial year	(104)	–
Grant receipts during the financial year	119,300	–
Balance at end of financial year	119,196	–

The Financial Assistance Scheme ("FAS") was introduced in March 2011 to support a small group of needy Permanent Residents ("PRs") who are on the Medical Fee Exemption Card or ComCare Long-Term Assistance for their subsidized ILTC bills incurred at some Medifund-accredited nursing homes, community hospitals, chronic sick hospitals and inpatient hospices.

In September 2023, FAS was expanded to support more needy PRs with their heathcare bills, especially those with Singapore Citizen family members, in both public healthcare institution and ILTC settings.

For the purposes of any written law in Singapore, all monies in the FAS account are deemed not to form part of the property of the Home if it goes into voluntary or compulsory liquidation. In such event, the monies shall be vested in and paid to MOH.

Grant income that have been approved for utilisation in the financial year are recognised as income in General Fund during the financial year. Grant receipts are recorded as fund movements and are retained in the FAS fund.

Deficit represents bank charges during the financial year.

19. Asset Capitalisation Reserve

	2023 $	2022 $
Balance at beginning of financial year	2,090,740	2,454,351
Amortisation of Asset Capitalisation Reserve	(370,878)	(363,611)
Deficit during the financial year	(370,878)	(363,611)
Transfer from CST Fund (Note 15)	131,010	–
Transfer from Programme Fund (Note 17)	95,797	–
Balance at end of financial year	1,946,669	2,090,740

Asset Capitalisation Reserve comprises transfers made from CST fund (Note 15) and Programme Fund (Note 17) and upon receipt of grants which were utilised for property, plant and equipment. Transfers were made to the Asset Capitalisation Reserve when amounts were utilised for purchases of property, plant and equipment using funds from CST fund and Programme Fund. The Asset Capitalisation Reserve is amortised over the useful lives of the related assets and transferred to the statement of financial activities to match the depreciation of the assets purchased with the related donations and grants.

20. President's Challenge 2019 Fund

	2022 $
Balance at beginning of financial year	165,000
Deficit during the financial year	(165,000)
Balance at end of financial year	–

The President's Challenge 2019 Fund was set up to finance Person-Centred, Integrated Psychosocial Dementia Care for People with Dementia programme, inclusive of manpower for psycho-social care.

21. Silver is Gold Fund

	2022 $
Balance at beginning of financial year	25,000
Income	50,000
Expenditure	(75,000)
Deficit during the financial year	(25,000)
Balance at end of financial year	–

Funding received from The Majurity Trust to set up Club memorABLE to provide holistic engagement for younger clients with dementia, clients with early-stage dementia, and their caregivers.

22. Tax deductible donations

During the financial year, the Home issued tax deductible receipts for donations collected of $169,067 (2022: $295,489).

23. Staff costs

	Total funds	
	2023	2022
	$	$
Key management personnel		
Salaries and related costs	**808,842**	815,238
Contributions to defined contribution plan	**55,835**	63,030
	864,677	878,268
Other staff		
Salaries and related costs	**4,070,344**	4,278,747
Contributions to defined contribution plan	**363,649**	353,656
Skill Development Levy and Foreign Worker Levy	**727,390**	668,918
	5,161,383	5,301,321
Total	**6,026,060**	6,179,589
Other staff		
Staff allowances	**100,446**	78,273

The Home had 146 (2022: 135) employees at 31 December 2023.

Key management personnel are the Chief Executive Officer and the Senior Officers having authority and responsibility for planning, directing and controlling the activities of the Home, directly or indirectly. During the financial year, there are 4 personnels (2022: 3 personnels) who received more than $100,000 in salaries, bonuses and CPF contributions.

24. Leases

Nature of the Home's leasing activities

The Home leases land from Singapore Land Authority. The lease has a tenure of three years. The lease payments are fully subsidised by Ministry of Health.

The maturity analysis of the lease liability is disclosed in Note 26(b).

Information about leases for which the Home is a lessee is presented below:

Amounts recognised in the balance sheet

The carrying amount of right-of-use assets are as follows:

	2023	2022
	$	$
Classified within property, plant and equipment		
- Leasehold land	**1,265,334**	250,466
Additions to right-of-use assets	**1,518,399**	–

24. Leases (cont'd)

Amounts recognised in the statement of financial activities

	2023	2022
	$	$
Depreciation charge for the financial year		
- Leasehold land	**503,531**	500,929
Interest expense on lease liability	**42,934**	28,052

During the financial year, the total cash flow for leases amounted to $564,634 (2022: $559,994).

25. Related party transactions

Other than disclosed elsewhere in the financial statements, the following are the related party transactions during the financial year between the Home and related parties on terms agreed by the parties concerned.

	2023	2022
	$	$
With members of the Management Committee and key management personnel		
Tax deductible donations received	**1,000**	5,360
Non-tax deductible donations received	**700**	–
With a company owned by a member of the Management Committee		
Staff welfare expenses	**–**	27,589

26. Financial instruments

a) Categories of financial instruments

The financial instruments at their carrying amounts as at the balance sheet date are as follows:

	2023	2022
	$	$
Financial assets		
Financial assets at amortised costs	**23,270,560**	20,489,289
Financial liabilities		
Financial liabilities at amortised costs	**2,624,904**	1,629,782

26. Financial instruments (cont'd)

b) Financial risk management

The Home does not have a formal overall risk management programme but the Management Committee reviews the financial risks on a periodic basis.

Interest rate risk

The Home's exposure to interest rate risk is minimal as the impact of interest rate fluctuations on its fixed deposits are insignificant and the Home has no liabilities or other assets that are interest bearing or earning, respectively.

Foreign currency risk

The Home has no exposure to any foreign currency risk as its transactions, assets and liabilities are denominated in its functional currency.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting to financial loss to the Home. For other financial assets (including cash and cash equivalents), the Home minimises credit risk by dealing with high credit counterparties.

The Home's exposure to credit risk arises from the failure of a resident to settle its financial and contractual obligations to the Home, as and when they fall due. The Management Committee manages this risk by limiting the aggregate financial exposure to any individual resident.

The following sets out the Home's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 60 days past due and there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Home has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Movements in credit loss allowance for receivables - third parties are disclosed in Note 7.

The credit loss exposure for cash and cash equivalents and other receivables are immaterial as at 31 December 2023 and 31 December 2022.

26. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Receivables - third parties

The Home has applied the simplified approach by using a provision matrix to measure the lifetime expected credit loss allowance. The Home has measured credit loss exposure based on historical credit loss experience, based on past due status of the trade receivables, adjusted as appropriate to reflect the current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of receivables is presented based on their past due status in terms of the provision matrix.

	Months past due			
	0 to 3 months $	**3 to 6 months $**	**Over 6 months $**	**Total $**
2023				
ECL rate	**0%**	**0%**	**59%**	
Gross trade receivables	**26,085**	**7,552**	**149,346**	**182,983**
Loss allowance	**–**	**–**	**87,980**	**87,980**
2022				
ECL rate	0%	0%	55%	
Gross trade receivables	64,337	9,687	132,955	206,979
Loss allowance	–	–	73,180	73,180

Liquidity risk

In the management of liquidity risk, the Home monitors and maintains a level of cash and cash equivalents deemed adequate by the Management Committee to finance the Home's operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Home's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2023			2022		
	1 year or less $	**1 to 5 years $**	**Total $**	1 year or less $	1 to 5 years $	Total $
Payables (excluding lease liability)	**1,342,971**	–	**1,342,971**	1,363,029	–	1,363,029
Lease liability	**546,575**	**819,863**	**1,366,438**	270,757	–	270,757

c) Fair values

The carrying amounts of financial assets and liabilities recorded in the financial statements of the Home approximate their fair values.

27. Fund management

The Home's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as a going concern and to develop its principal activities over the longer term through the fees received from residents, donations and significant support in various form of government funding and subsidies.

No changes were made to the Home's fund management objectives or policies during the financial years ended 31 December 2023 and 31 December 2022.

28. Authorisation of financial statements

The financial statements of the Home for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Management Committee dated 8 March 2024.