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

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2025**

CONTENTS

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

STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

a) the financial statements of Apex Harmony Lodge (the "Home") as set out on pages 5 to 28 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 2025, and of the financial performance, changes in funds and cash flows of the Home for the financial year ended on that date;

b) 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;

c) the Home has complied with the Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations;

d) the accounting and other records required to be kept by the Home have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

e) at the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debt when they fall due.

On behalf of the Management Committee

Signed by:
AA0FE83AE03F4DA...

Gan Boon Jin
Chairman

Signed by:
BA0EEB4928E1498...

Soo Hon Weng, Wayne
Treasurer

12 March 2026

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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 5 to 28, which comprise the balance sheet as at 31 December 2025, 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 2025 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"), 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

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 2025, 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.

Baker Tilly TFW LLP (trading as Baker Tilly) is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly TFW LLP (Registration No.T10LL1485G) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

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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)

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.

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.

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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)

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

- 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.

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.

Signed by:
Baker Tilly
864E072C53164A4...

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

12 March 2026

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

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2025

	Note	Unrestricted Funds $	Restricted Funds $	Total $
2025				
Income				
Voluntary income				
Tax deductible donations	22	63,314	–	**63,314**
Non tax deductible donations		31,705	–	**31,705**
Sponsorship income		2,100	–	**2,100**
		97,119	–	**97,119**
Charitable income				
Resident fees		1,547,409	–	**1,547,409**
Grants and subsidies				
Land rental subsidy		551,636	–	**551,636**
Recurrent funding		8,520,961	–	**8,520,961**
Capital grant subsidy	10	303,132	–	**303,132**
Medifund subsidy	18	2,083,381	–	**2,083,381**
Financial Assistance Scheme subsidy	20	117,790	–	**117,790**
Community Silver Trust Fund	17	–	93,499	**93,499**
Other subsidies	5	807,605	–	**807,605**
		12,384,505	93,499	**12,478,004**
Other income				
Sundry income		64,119	–	**64,119**
Bank and fixed deposit interest		537,497	97	**537,594**
		601,616	97	**601,713**
Total income		14,630,649	93,596	**14,724,245**

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

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

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2025

	Note	Unrestricted Funds $	Restricted Funds $	Total $
2025				
Expenses				
Cost of charitable activities				
Amortisation of Asset Capitalisation Reserve	21	(329,782)	329,782	–
Depreciation	6	1,736,077	–	**1,736,077**
Food expenses		655,781	–	**655,781**
Goods and Services Taxes		175,051	–	**175,051**
Housekeeping		468,930	–	**468,930**
IT & software expenses		238,144	–	**238,144**
Laundry		119,235	–	**119,235**
Medical		497,060	–	**497,060**
Minor assets expenses		21,267	–	**21,267**
Professional fees		576,598	139,711	**716,309**
Staff costs	23	6,215,224	99,697	**6,314,921**
Staff allowances	23	147,402	–	**147,402**
Staff training		49,169	–	**49,169**
Staff welfare		38,790	–	**38,790**
Transport		32,014	–	**32,014**
Uniforms		4,110	–	**4,110**
Utilities		278,289	–	**278,289**
		10,923,359	569,190	**11,492,549**
Administrative and other operating expenses				
Audit fees		18,000	–	**18,000**
Non-audit fees				
- auditors of the Company		–	–	–
Bank charges		2,500	74	**2,574**
General expenses		192,052	–	**192,052**
Insurance		131,198	–	**131,198**
Interest expense - Leases		27,481	–	**27,481**
Landscape		45,280	–	**45,280**
Printing and stationeries		12,091	–	**12,091**
Repairs and maintenance		174,949	–	**174,949**
Telephone		12,934	–	**12,934**
		616,485	74	**616,559**
Total expenses		11,539,844	569,264	**12,109,108**
Surplus/(deficit) and total comprehensive income/(loss) for the financial year		3,090,805	(475,668)	**2,615,137**

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

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

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2025

	Note	Unrestricted Funds $	Restricted Funds $	Total $
2024				
Income				
Voluntary income				
Tax deductible donations	22	95,401	–	95,401
Non tax deductible donations		6,743,648	–	6,743,648
Donation-in-kind income		18,291	–	18,291
		6,857,340	–	6,857,340
Charitable income				
Resident fees		1,596,478	–	1,596,478
Grants and subsidies				
Land rental subsidy		551,214	–	551,214
Recurrent funding		5,897,403	–	5,897,403
Capital grant subsidy	10	303,132	–	303,132
Medifund subsidy	18	2,062,246	–	2,062,246
Financial Assistance Scheme subsidy	20	133,193	–	133,193
Community Silver Trust Fund	17	–	2,735,620	2,735,620
Other subsidies	5	1,769,318	–	1,769,318
		10,716,506	2,735,620	13,452,126
Other income				
Sundry income		126,555	–	126,555
Bank and fixed deposit interest		638,250	124	638,374
		764,805	124	764,929
Total income		19,935,129	2,735,744	22,670,873

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

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

STATEMENT OF FINANCIAL ACTIVITIES (cont'd)
For the financial year ended 31 December 2025

	Note	**Unrestricted Funds $**	**Restricted Funds $**	**Total $**
2024				
Expenses				
Cost of charitable activities				
Amortisation of Asset Capitalisation Reserve	21	(386,291)	386,291	–
Reversal of allowance for impairment of receivables, net	8	(18,916)	–	(18,916)
Depreciation	6	1,816,973	–	1,816,973
Food expenses		676,755	–	676,755
Housekeeping		454,142	–	454,142
IT & software expenses		109,994	–	109,994
Laundry		131,603	–	131,603
Medical		478,406	–	478,406
Minor assets expenses		46,846	–	46,846
Professional fees		399,129	318,276	717,405
Staff costs	23	5,417,760	456,272	5,874,032
Staff allowances	23	104,170	–	104,170
Staff training		48,178	–	48,178
Staff welfare		30,173	–	30,173
Transport		31,022	–	31,022
Uniforms		8,656	–	8,656
Utilities		274,933	–	274,933
		9,623,533	1,160,839	10,784,372
Administrative and other operating expenses				
Audit fees		17,000	–	17,000
Non-audit fees				
- auditors of the Company		4,800	–	4,800
Bank charges		3,713	208	3,921
General expenses		212,200	–	212,200
Insurance		108,447	–	108,447
Interest expense - Leases		54,708	–	54,708
Landscape		41,022	–	41,022
Printing and stationeries		16,573	–	16,573
Repairs and maintenance		187,074	–	187,074
Telephone		12,085	–	12,085
		657,622	208	657,830
Total expenses		10,281,155	1,161,047	11,442,202
Surplus and total comprehensive income for the financial year		9,653,974	1,574,697	11,228,671

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 2025

	Note	**2025** $	2024 $
Non-current assets			
Property, plant and equipment	6	**3,792,615**	5,465,612
Deferred expenditure	7	**39,920**	79,840
		3,832,535	5,545,452
Current assets			
Inventories		**37,343**	63,399
Receivables	8	**5,992,788**	5,023,399
Cash and cash equivalents	9	**31,781,675**	29,910,691
		37,811,806	34,997,489
Total assets		**41,644,341**	40,542,941
Non-current liabilities			
Deferred grant	10	**606,270**	909,402
Lease liability	11	**–**	272,772
		606,270	1,182,174
Current liabilities			
Deferred grant	10	**303,132**	303,132
Lease liability	11	**272,772**	524,155
Payables	12	**1,869,735**	2,286,014
		2,445,639	3,113,301
Total liabilities		**3,051,909**	4,295,475
Net assets		**38,592,432**	36,247,466
Funds			
Unrestricted Funds			
General Fund	13	**10,785,116**	8,775,531
Building Fund	14	**16,227,954**	15,146,734
Asset Replacement Fund	15	**4,000,000**	4,000,000
Lodge Upgrade Fund	16	**3,000,000**	3,000,000
		34,013,070	30,922,265
Restricted Funds			
Community Silver Trust Fund	17	**3,244,800**	3,390,709
Medifund	18	**3,047**	296,355
Programme Fund	19	**15,000**	15,000
Financial Assistance Scheme Fund	20	**85,919**	62,759
Asset Capitalisation Reserve	21	**1,230,596**	1,560,378
		4,579,362	5,325,201
Total funds		**38,592,432**	36,247,466

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 2025

	Unrestricted				Restricted					
	General Fund $	Building Fund $	Asset Replacement Fund $	Lodge Upgrade Fund $	Community Silver Trust Fund $	Medifund $	Programme Fund $	Financial Assistance Scheme Fund $	Asset Capitalisation Reserve $	Total $
2025										
At 1 January 2025	8,775,531	15,146,734	4,000,000	3,000,000	3,390,709	296,355	15,000	62,759	1,560,378	36,247,466
Surplus/(deficit) and total comprehensive income/(loss) for the financial year	3,090,805	–	–	–	(145,909)	73	–	(50)	(329,782)	2,615,137
Transfer from General Fund to Building Fund	(1,081,220)	1,081,220	–	–	–	–	–	–	–	–
Grant received during the financial year	–	–	–	–	–	1,790,000	–	141,000	–	1,931,000
Utilisation of restricted fund recorded as income in General Fund	–	–	–	–	–	(2,083,381)	–	(117,790)	–	(2,201,171)
At 31 December 2025	**10,785,116**	**16,227,954**	**4,000,000**	**3,000,000**	**3,244,800**	**3,047**	**15,000**	**85,919**	**1,230,596**	**38,592,432**

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

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

STATEMENT OF CHANGES IN FUNDS (cont'd)
For the financial year ended 31 December 2025

	Unrestricted				Restricted					
	General Fund $	**Building Fund $**	**Asset Replacement Fund $**	**Lodge Upgrade Fund $**	**Community Silver Trust Fund $**	**Medifund $**	**Programme Fund $**	**Financial Assistance Scheme Fund $**	**Asset Capitalisation Reserve $**	**Total $**
2024										
At 1 January 2024	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
Surplus/(deficit) and total comprehensive income/(loss) for the financial year	9,653,974	–	–	–	1,961,072	60	–	(144)	(386,291)	11,228,671
Transfer from General Fund to Building Fund	(1,081,220)	1,081,220	–	–	–	–	–	–	–	–
Transfer from General Fund to Lodge Upgrade Fund	(3,000,000)	–	–	3,000,000	–	–	–	–	–	–
Grant received during the financial year	–	–	–	–	–	948,800	–	76,900	–	1,025,700
Utilisation of restricted fund recorded as income in General Fund	–	–	–	–	–	(2,062,246)	–	(133,193)	–	(2,195,439)
At 31 December 2024	8,775,531	15,146,734	4,000,000	3,000,000	3,390,709	296,355	15,000	62,759	1,560,378	36,247,466

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

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2025

	2025	2024
	$	$
Cash flows from operating activities		
Surplus for the financial year	**2,615,137**	11,228,671
Adjustments for:		
Depreciation of property, plant and equipment	**1,736,077**	1,816,973
Interest income	**(537,594)**	(638,374)
Amortisation of capital grant	**(303,132)**	(303,132)
Interest expense - Leases	**27,481**	54,708
Operating cash flows before movements in working capital	**3,537,969**	12,158,846
Inventories	**26,056**	2,482
Receivables and deferred expenditure	**(929,469)**	(3,754,510)
Payables and deferred grant	**(416,279)**	658,429
Net changes in Medifund	**(293,381)**	(1,113,446)
Net changes in Financial Assistance Scheme Fund	**23,210**	(56,293)
Net cash generated from operating activities	**1,948,106**	7,895,508
Cash flows from investing activities		
Purchases of property, plant and equipment	**(63,080)**	(122,879)
Interest income	**537,594**	638,374
Net cash generated from investing activities	**474,514**	515,495
Cash flows from financing activities		
Repayment of lease liability	**(524,155)**	(496,505)
Interest expense - Leases	**(27,481)**	(54,708)
Net cash used in financing activities	**(551,636)**	(551,213)
Net increase in cash and cash equivalents	**1,870,984**	7,859,790
Cash and cash equivalents at beginning of financial year	**29,890,681**	22,030,891
Cash and cash equivalents at end of financial year (Note 9)	**31,761,665**	29,890,681

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

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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, respite facilities and community-based services for patients with dementia;

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

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

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 4 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 4.

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.

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 2025 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 except as disclosed in Note 3.

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 4)
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.

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.

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2. Material accounting policies (cont'd)

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 capitalisation 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. New or revised FRS and INT FRS issued at balance sheet date but not effective

FRS 118 Presentation and Disclosure in Financial Statements ("FRS 118")

FRS 118 will replace FRS 1 Presentation of Financial Statements for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. It requires retrospective application with specific transition provisions.

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for "operating profit", "profit or loss before financing and income taxes", and "profit or loss" in the statement of profit or loss.

- Management-defined performance measures ("MPMs") are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the FRSs.

- Enhanced guidance on aggregating and disaggregating information in financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Home is in the process of assessing the impact of the new standard on the primary financial statements and notes to the financial statements.

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4. 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-year 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 10, 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 2025, the carrying amount of the leasehold building is $1,199,924 (2024: $1,591,478) and the carrying amount of the building renovation is $2,177,430 (2024: $2,867,096). 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 2025 would be $Nil (2024: $Nil) and the depreciation expense on the leasehold building for the financial year would be $Nil (2024: $Nil).

5. Other subsidies

	Total funds	
	2025	2024
	$	$
Community Care Salary Enhancement	**176,714**	1,064,431
Silver Support Scheme	**298,553**	244,907
Senior Management Associate Scheme	**47,440**	19,568
Others	**284,898**	440,412
	807,605	1,769,318

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6. Property, plant and equipment

	Leasehold property $	Other property, plant and equipment $	Building renovation $	Total $
2025				
Cost				
At 1 January 2025	13,276,505	2,433,769	6,892,871	22,603,145
Additions	–	63,080	–	63,080
Disposals	–	(22,610)	–	(22,610)
At 31 December 2025	**13,276,505**	**2,474,239**	**6,892,871**	**22,643,615**
Accumulated depreciation				
At 1 January 2025	10,918,689	2,193,069	4,025,775	17,137,533
Depreciation for the financial year	902,446	143,965	689,666	1,736,077
Disposals	–	(22,610)	–	(22,610)
At 31 December 2025	**11,821,135**	**2,314,424**	**4,715,441**	**18,851,000**
Net carrying value				
At 31 December 2025	**1,455,370**	**159,815**	**2,177,430**	**3,792,615**
2024				
Cost				
At 1 January 2024	13,265,006	2,339,666	6,892,871	22,497,543
Additions	–	122,879	–	122,879
Modification	11,499	–	–	11,499
Disposals	–	(28,776)	–	(28,776)
At 31 December 2024	13,276,505	2,433,769	6,892,871	22,603,145
Accumulated depreciation				
At 1 January 2024	10,016,640	1,996,587	3,336,109	15,349,336
Depreciation for the financial year	902,049	225,258	689,666	1,816,973
Disposals	–	(28,776)	–	(28,776)
At 31 December 2024	10,918,689	2,193,069	4,025,775	17,137,533
Net carrying value				
At 31 December 2024	2,357,816	240,700	2,867,096	5,465,612

(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 $255,446 (2024: $766,338) (Note 24).

7. Deferred expenditure

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

8. Receivables

	2025 $	2024 $
Third parties	**258,855**	121,497
Less: Allowance for expected credit losses		
Balance at beginning of financial year	**(65,825)**	(87,980)
Allowance for impairment - lifetime ECL (credit-impaired)	–	(579)
Reversal of allowance for impairment - lifetime ECL (credit-impaired)	–	19,495
Receivables written off	–	3,239
Balance at end of financial year	**(65,825)**	(65,825)
Net	**193,030**	55,672
Grant receivables		
- Community Silver Trust (Note 17)	**3,244,800**	3,151,301
- Goods and Service Tax Grant	**384,936**	820,046
- Others	**1,938,163**	771,641
	5,567,899	4,742,988
Sundry receivables	**191,447**	177,077
Prepayments	**30,625**	25,534
Interest receivables	**9,787**	22,128
	5,992,788	5,023,399

9. Cash and cash equivalents

	2025 $	2024 $
Cash and bank balances	**17,005,794**	13,879,748
Fixed deposits	**14,775,881**	16,030,943
Cash and cash equivalents as presented on balance sheet	**31,781,675**	29,910,691
Less: Fixed deposits pledged	**(20,010)**	(20,010)
Cash and cash equivalents for presentation on statement of cash flows	**31,761,665**	29,890,681

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10. Deferred grant

	2025 $	2024 $
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	**8,005,679**	7,702,547
Amortisation for the financial year	**303,132**	303,132
Balance at end of financial year	**8,308,811**	8,005,679
Net carrying amount	**909,402**	1,212,534
These represent:		
Non-current	**606,270**	909,402
Current	**303,132**	303,132
	909,402	1,212,534

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.

11. Lease liability

	2025 $	2024 $
Non-current	–	272,772
Current	**272,772**	524,155
Total	**272,772**	796,927

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

	Lease liability 2025 $	 2024 $
Balance as at 1 January	**796,927**	1,281,933
Changes from financing cash flows:		
- Repayments	**(524,155)**	(496,505)
- Interest paid	**(27,481)**	(54,708)
Non-cash changes:		
- Interest expense - Leases	**27,481**	54,708
- Modification - Leases	–	11,499
Balance at 31 December	**272,772**	796,927

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12. Payables

	2025 $	2024 $
Resident's fee deposits	**457,579**	446,666
Contract liabilities*	**158,680**	146,618
Accrued operating expenses	**607,293**	664,819
Goods and Service Tax payables	**95,714**	623,138
Provision for unutilised leave	**84,598**	84,598
Sundry payables	**221,189**	256,110
Funds received in advance	**244,682**	64,065
	1,869,735	2,286,014

Contract liabilities as at 1 January 2024 amounted to $71,915.

13. General Fund

	2025 $	2024 $
Balance at beginning of financial year	**8,775,531**	3,202,777
Surplus during the financial year	**3,090,805**	9,653,974
Transfer to Building Fund (Note 14)	**(1,081,220)**	(1,081,220)
Transfer to Lodge Upgrade Fund (Note 16)	–	(3,000,000)
Balance at end of financial year	**10,785,116**	8,775,531

14. Building Fund

	2025 $	2024 $
Balance at beginning of financial year	**15,146,734**	14,065,514
Transfer from General Fund (Note 13)	**1,081,220**	1,081,220
Balance at end of financial year	**16,227,954**	15,146,734

The Building Fund is for the purpose of building replacement.

15. Asset Replacement Fund

	2025 $	2024 $
Balance at beginning and end of financial year	**4,000,000**	4,000,000

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

16. Lodge Upgrade Fund

	2025 $	2024 $
Balance at beginning of financial year	**3,000,000**	–
Transfer from General Fund (Note 13)	–	3,000,000
Balance at end of financial year	**3,000,000**	3,000,000

The Lodge Upgrade Fund is for the purpose of enhancing the Lodge's facilities and operations.

17. 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 2019 to 31 March 2024. The Funding Agreement was renewed with effect from 1 April 2024 to 31 March 2029.

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

	2025 $	2024 $
Balance at beginning of financial year	**3,390,709**	1,429,637
Income	**93,499**	2,735,620
Expenditure	**(239,408)**	(774,548)
(Deficit)/Surplus during the financial year	**(145,909)**	1,961,072
Balance at end of financial year	**3,244,800**	3,390,709

Grant income is recognised when attaching conditions are complied with and recoverability of the grant receipts is reasonably assured. As at 31 December 2025, CST grants receivable of $3,244,800 (2024: $3,151,301) represents receivable due from MOH. Upon receipt of the grants, the Home is required to fully utilise the grant receipts within 3 to 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 2025.

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18. Medifund

	2025	2024
	$	$
Balance at beginning of financial year	**296,355**	1,409,741
Net surplus during the financial year	**73**	60
Grant receipts during the financial year	**1,790,000**	948,800
Utilisation of grant receipts recorded as income in General Fund during the financial year	**(2,083,381)**	(2,062,246)
Balance at end of financial year	**3,047**	296,355

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.

19. Programme Fund

	2025	2024
	$	$
Balance at beginning and end of financial year	**15,000**	15,000

Programme Fund pertains to the funding from Community Foundation of Singapore for the programme Connected, enabled and engaged: SL (Supported Living) Community.

20. Financial Assistance Scheme Fund

	2025	2024
	$	$
Balance at beginning of financial year	**62,759**	119,196
Deficit during the financial year	**(50)**	(144)
Grant receipts during the financial year	**141,000**	76,900
Utilisation of grant receipts recorded as income in General Fund during the financial year	**(117,790)**	(133,193)
Balance at end of financial year	**85,919**	62,759

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20. Financial Assistance Scheme Fund (cont'd)

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 subsidised 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.

21. Asset Capitalisation Reserve

	2025 **$**	2024 $
Balance at beginning of financial year	**1,560,378**	1,946,669
Amortisation of Asset Capitalisation Reserve	**(329,782)**	(386,291)
Deficit during the financial year	**(329,782)**	(386,291)
Balance at end of financial year	**1,230,596**	1,560,378

Asset Capitalisation Reserve comprises transfers made from CST Fund (Note 17) and Programme Fund (Note 19) 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.

22. Tax deductible donations

During the financial year, the Home issued tax deductible receipts for donations collected of $63,314 (2024: $95,401).

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23. Staff costs

	Total funds	
	2025	2024
	$	$
Key management personnel		
Salaries and related costs	**678,380**	765,638
Contributions to defined contribution plan	**65,721**	57,976
	744,101	823,614
Other staff		
Salaries and related costs	**4,423,278**	4,031,004
Contributions to defined contribution plan	**369,551**	321,387
Skill Development Levy and Foreign Worker Levy	**777,991**	698,027
	5,570,820	5,050,418
Total	**6,314,921**	5,874,032
Other staff		
Staff allowances	**147,402**	104,170

The Home had 149 (2024: 147) employees at 31 December 2025.

Key management personnel are the members of the Management Committee, 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 3 personnels (2024: 4 personnels) who received more than $100,000 and 4 personnel (2024: 1 personnel) who received less than $100,000 in salaries, bonuses and CPF contributions. None of the members of the Management Committee and their close family members have received any remuneration, benefits, allowances or other manner of compensation from the Home.

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.

In addition, the Home leases certain office equipment of 1 month to 5 years. These leases are low-value items. The Home has elected not to recognise right-of-use assets for these leases.

The maturity analysis of the lease liability is disclosed in Note 25(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:

	2025	2024
	$	$
Classified within property, plant and equipment		
- Leasehold land	**255,446**	766,338
Modification to right-of-use assets	–	11,499

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24. Leases (cont'd)

Information about leases for which the Home is a lessee is presented below (cont'd):

Amounts recognised in the statement of financial activities

	2025	2024
	$	$
Depreciation charge for the financial year		
- Leasehold land	**510,892**	510,495
Lease expense not included in the measurement of lease liabilities		
Lease expense – low value assets leases	**21,520**	18,481
Interest expense on lease liability	**27,481**	54,708

During the financial year, the total cash flow for leases amounted to $573,156 (2024: $569,694).

25. Financial instruments

a) Categories of financial instruments

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

	2025	2024
	$	$
Financial assets		
Financial assets at amortised cost	**37,743,838**	34,908,556
Financial liabilities		
Financial liabilities at amortised cost	**1,558,833**	2,164,522

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.

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25. Financial instruments (cont'd)

b) Financial risk management (cont'd)

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 8.

The credit loss exposure for cash and cash equivalents and other receivables are immaterial as at 31 December 2025 and 31 December 2024.

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.

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25. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Receivables - third parties (cont'd)

	Months past due 0 to 3 months $	3 to 6 months $	Over 6 months $	Total $
2025				
ECL rate	**0%**	**0%**	**43%**	
Gross trade receivables	**40,094**	**65,176**	**153,585**	**258,855**
Loss allowance	**–**	**–**	**65,825**	**65,825**
2024				
ECL rate	0%	0%	62%	
Gross trade receivables	13,273	2,817	105,407	121,497
Loss allowance	–	–	65,825	65,825

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.

	2025			2024		
	1 year or less $	**1 to 5 years $**	**Total $**	1 year or less $	1 to 5 years $	Total $
Payables (excluding lease liability)	**1,286,061**	**–**	**1,286,061**	1,367,595	–	1,367,595
Lease liability	**275,818**	**–**	**275,818**	551,636	275,818	827,454

c) Fair values

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

26. 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 2025 and 31 December 2024.

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27. Subsequent event

On 24 February 2026, the lease agreement for the use of the leasehold land was renewed and extended for another 3 years from 1 July 2026 to 30 June 2029.

28. Authorisation of financial statements

The financial statements of the Home for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Management Committee dated 12 March 2026.