

ST. JOHN'S HOME FOR ELDERLY PERSONS

[UEN. S61SS0176G]

[IPC No. IPC000361]

[Registered under the Societies Act 1966
in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and

Chartered Accountants of Singapore

71 Ubi Crescent
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Singapore 408571
T: (65) 6846.8376
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STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements of **St. John's Home for Elderly Persons** (the "Home") are drawn up so as to present fairly, in all material respects, the state of affairs of the Home as at 31 December 2023, and the results, changes in funds and cash flows of the Home for the financial year then ended.

At the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on 20 May 2024.

Chairman	Andrew Lioe Hui Siang
Vice-chairman	Lester Lee Keng Kok
Honorary Secretary	Rachel Ong Chuan Chuan
Assistant Honorary Secretary	Kenneth Chue Soon Seng
Honorary Treasurer	Consigliere Warren Dolius Paolo
Committee Member	Gan Leong Hin
Committee Member	John Poopalan Kiramathypathy
Committee Member	Chua Hui Hsiang, Felicia
Committee Member	Nicholas Raphael Netto
Committee Member	Pearl Lee Tuan Kee

For and on behalf of the Management Committee,



Andrew Lioe Hui Siang
Chairman



Consigliere Warren Dolius Paolo
Honorary Treasurer

Singapore, 20 May 2024

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Independent auditor's report to the members of:

ST. JOHN'S HOME FOR ELDERLY PERSONS

[UEN. S61SS0176G]
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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **St. John's Home for Elderly Persons** (the "Home"), which comprise the statement of financial position 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of 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 state of affairs of the Home as at 31 December 2023, and the results, 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.

Other Information

Management is responsible for other information. The other information comprises the Statement by Management Committee (set out on page 2), but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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

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(CONT'D)

Independent auditor's report to the members of:

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

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

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

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.

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Independent auditor's report to the members of:

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required to be kept by the Home have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fund-raising appeals held during the financial year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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Report on other Legal and Regulatory Requirements (Cont'd)

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

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

DocuSigned by:



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Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore, 20 May 2024

Partner-in-charge: Gan Chek Huat
PAB No.: 01939

**STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted Fund	Restricted Funds				Other reserve	Total S\$
		General Fund S\$	Building Fund S\$	Land Lease Fund S\$	Endowment Fund S\$	Total Restricted Funds S\$	Fair value reserve S\$	
2023 INCOME								
Income from generating voluntary funds		2,752,694	100	0	0	100	0	2,752,794
Grants	5	161,816	0	0	0	0	0	161,816
Income from provision of care services		1,090,277	0	0	0	0	0	1,090,277
Other income		620,267	0	0	206,613	206,613	0	826,880
		<u>4,625,054</u>	<u>100</u>	<u>0</u>	<u>206,613</u>	<u>206,713</u>	<u>0</u>	<u>4,831,767</u>
EXPENDITURE								
Cost of generating voluntary funds		43,451	0	0	0	0	0	43,451
Cost of provision of care services		2,021,618	634,978	96,003	0	730,981	0	2,752,599
Governance and administrative costs		435,051	12,410	0	0	12,410	0	447,461
		<u>2,500,120</u>	<u>647,388</u>	<u>96,003</u>	<u>0</u>	<u>743,391</u>	<u>0</u>	<u>3,243,511</u>
NET SURPLUS/(DEFICIT)		2,124,934	(647,288)	(96,003)	206,613	(536,678)	0	1,588,256
Fair value gain	16	0	0	0	0	0	128,233	128,233
Transfers between funds	14, 15	0	0	0	0	0	0	0
Net movement in funds		2,124,934	(647,288)	(96,003)	206,613	(536,678)	128,233	1,716,489
Accumulated funds brought forward		<u>1,121,150</u>	<u>14,943,27</u>	<u>2,208,056</u>	<u>6,144,165</u>	<u>23,295,498</u>	<u>(279,080)</u>	<u>24,137,568</u>
Accumulated funds carried forward		<u>3,246,084</u>	<u>14,295,98</u>	<u>2,112,053</u>	<u>6,350,778</u>	<u>22,758,820</u>	<u>(150,847)</u>	<u>25,854,057</u>

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

**STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)**

	Note	Unrestricted Fund	Restricted Funds				Other reserve	Total S\$
		General Fund S\$	Building Fund S\$	Land Lease Fund S\$	Endowment Fund S\$	Total Restricted Funds S\$	Fair value reserve S\$	
2022 (Restated)								
INCOME								
Income from generating voluntary funds		1,744,888	100,455	0	0	100,455	0	1,845,343
Grants	5	181,893	0	0	0	0	0	181,893
Income from provision of care services		762,868	0	0	0	0	0	762,868
Other income		67,836	0	0	98,118	98,118	0	165,954
		<u>2,757,485</u>	<u>100,455</u>	<u>0</u>	<u>98,118</u>	<u>198,573</u>	<u>0</u>	<u>2,956,058</u>
EXPENDITURE								
Cost of generating voluntary funds		29,893	0	0	0	0	0	29,893
Cost of provision of care services		1,735,599	635,069	96,002	0	731,071	0	2,466,670
Governance and administrative costs		481,899	55,642	0	304	55,946	0	537,845
		<u>2,247,391</u>	<u>690,711</u>	<u>96,002</u>	<u>304</u>	<u>787,017</u>	<u>0</u>	<u>3,034,408</u>
NET SURPLUS/(DEFICIT)		510,094	(590,256)	(96,002)	97,814	(588,444)	0	(78,350)
Fair value loss	16	0	0	0	0	0	(198,676)	(198,676)
Transfers between funds	14, 15	<u>(300,000)</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>
Net movement in funds		210,094	(290,256)	(96,002)	97,814	(288,444)	(198,676)	(277,026)
Accumulated funds brought forward		<u>911,056</u>	<u>15,233,533</u>	<u>2,304,058</u>	<u>6,046,351</u>	<u>23,583,942</u>	<u>(80,404)</u>	<u>24,414,594</u>
Accumulated funds carried forward		<u>1,121,150</u>	<u>14,943,277</u>	<u>2,208,056</u>	<u>6,144,165</u>	<u>23,295,498</u>	<u>(279,080)</u>	<u>24,137,568</u>

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Fund	Restricted Funds				Other reserve	Total S\$
		General Fund S\$	Building Fund S\$	Fair value reserve S\$	Endowment Fund S\$	Total Restricted Funds S\$	Fair value reserve S\$	
2023 INCOME								
Income from generating voluntary funds								
Donations								
- Tax exempt	4	1,930,543	100	0	0	100	0	1,930,643
- Non-tax exempt		774,136	0	0	0	0	0	774,136
- Donation-in-kind		48,015	0	0	0	0	0	48,015
		<u>2,752,694</u>	<u>100</u>	<u>0</u>	<u>0</u>	<u>100</u>	<u>0</u>	<u>2,752,794</u>
Grants	5	<u>161,816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>161,816</u>
Income from provision of care services								
Crisis placement funding		3,611	0	0	0	0	0	3,611
Membership subscriptions		80	0	0	0	0	0	80
Residents public assistance grants		103,703	0	0	0	0	0	103,703
Residents upkeep contributions		982,883	0	0	0	0	0	982,883
		<u>1,090,277</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,090,277</u>
Other income								
Amortisation of deferred capital grants	13	141,215	0	0	0	0	0	141,215
Interest income		26,798	0	0	130,135	130,135	0	156,933
Dividend income		0	0	0	30,910	30,910	0	30,910
Bond interest		0	0	0	45,568	45,568	0	45,568
GST refund income		418,179	0	0	0	0	0	418,179
Other income		9,570	0	0	0	0	0	9,570
Special employment credit		24,519	0	0	0	0	0	24,519
Exchange gain		(14)	0	0	0	0	0	(14)
		<u>620,267</u>	<u>0</u>	<u>0</u>	<u>206,613</u>	<u>206,613</u>	<u>0</u>	<u>826,880</u>
TOTAL INCOME		<u>4,625,054</u>	<u>100</u>	<u>0</u>	<u>206,613</u>	<u>206,713</u>	<u>0</u>	<u>4,831,767</u>
EXPENDITURE								
Cost of generating voluntary funds								
Direct fund-raising expenses	6	33,674	0	0	0	0	0	33,674
Other fund-raising expenses		9,777	0	0	0	0	0	9,777
		<u>43,451</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,451</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	Unrestricted Fund	Restricted Funds				Other reserve	Total S\$
		General Fund S\$	Building Fund S\$	Land Lease Fund S\$	Endowment Fund S\$	Total Restricted Funds S\$	Fair value reserve S\$	
2023								
EXPENDITURE (CONT'D)								
Cost of provision of care services								
Ambulance services		694	0	0	0	0	0	694
Activity services and others		160	0	0	0	0	0	160
Amortisation of intangible asset	11	183,480	0	0	0	0	0	183,480
Service costs								
- Cleaning		8,614	0	0	0	0	0	8,614
- Counselling services		5,900	0	0	0	0	0	5,900
- Pest control		7,670	0	0	0	0	0	7,670
- Physiotherapist services		17,908	0	0	0	0	0	17,908
Depreciation	9	168,760	634,978	96,003	0	730,981	0	899,741
Donated expense		48,015	0	0	0	0	0	48,015
Employment agency fee		1,639	0	0	0	0	0	1,639
Food and provisions		110,751	0	0	0	0	0	110,751
General expenses		1,093	0	0	0	0	0	1,093
Insurance		22,940	0	0	0	0	0	22,940
License fees		1,222	0	0	0	0	0	1,222
Medical and clinical expenses		12,994	0	0	0	0	0	12,994
Physiotherapy tools and gadgets		384	0	0	0	0	0	384
Repairs and maintenance		205,825	0	0	0	0	0	205,825
Sponsored purchases		13,876	0	0	0	0	0	13,876
Staff costs								
- CPF and SDL contribution		60,634	0	0	0	0	0	60,634
- Foreign workers' levy		135,095	0	0	0	0	0	135,095
- Salaries and annual wage supplements		799,067	0	0	0	0	0	799,067
- Staff repatriation travel		5,341	0	0	0	0	0	5,341
- Staff training		2,360	0	0	0	0	0	2,360
- Staff welfare		6,320	0	0	0	0	0	6,320
- Uniforms		3,744	0	0	0	0	0	3,744
- Board training		1,265	0	0	0	0	0	1,265
Transportation		1,748	0	0	0	0	0	1,748
Utilities		194,119	0	0	0	0	0	194,119
		<u>2,021,618</u>	<u>634,978</u>	<u>96,003</u>	<u>0</u>	<u>730,981</u>	<u>0</u>	<u>2,752,599</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	Unrestricted Fund	Restricted Funds			Total Restricted Funds	Other reserve	Total S\$
		General Fund S\$	Building Fund S\$	Land Lease Fund S\$	Endowment Fund S\$	Total Restricted Funds S\$	Fair value reserve S\$	
2023								
EXPENDITURE (CONT'D)								
Governance and administrative costs								
Administrative								
- Audit fees		7,200	0	0	0	0	0	7,200
- Bank charges		11,280	50	0	0	50	0	11,330
- Commission		0	0	0	0	0	0	0
- Employment agency fee		0	0	0	0	0	0	0
- Legal and professional fees		0	12,360	0	0	12,360	0	12,360
- GST expenses		80,456	0	0	0	0	0	80,456
- Printing and stationeries		3,839	0	0	0	0	0	3,839
- Telecommunications		16,469	0	0	0	0	0	16,469
- Video and opening ceremony		540	0	0	0	0	0	540
Staff costs								
- CPF and SDL contribution		48,264	0	0	0	0	0	48,264
- Salaries and annual wage supplements		267,003	0	0	0	0	0	267,003
		<u>435,051</u>	<u>12,410</u>	<u>0</u>	<u>0</u>	<u>12,410</u>	<u>0</u>	<u>447,461</u>
TOTAL EXPENDITURE		<u>2,500,120</u>	<u>647,388</u>	<u>96,003</u>	<u>0</u>	<u>743,391</u>	<u>0</u>	<u>3,243,511</u>
NET SURPLUS/(DEFICIT)		2,124,934	(647,288)	(96,003)	206,613	(536,678)	0	1,588,256
Fair value gain	16	0	0	0	0	0	128,233	128,233
Transfers between funds	14, 15	0	0	0	0	0	0	0
Net movement in funds		2,124,934	(647,288)	(96,003)	206,613	(536,678)	128,233	1,716,489
Accumulated funds brought forward		<u>1,121,150</u>	<u>14,943,277</u>	<u>2,208,056</u>	<u>6,144,165</u>	<u>23,295,498</u>	<u>(279,080)</u>	<u>24,137,568</u>
Accumulated funds carried forward		<u>3,246,084</u>	<u>14,295,989</u>	<u>2,112,053</u>	<u>6,350,778</u>	<u>22,758,820</u>	<u>(150,847)</u>	<u>25,854,057</u>

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	Unrestricted Fund	Restricted Funds			Total Restricted Funds	Other reserve	Total S\$
		General Fund S\$	Building Fund S\$	Land Lease Fund S\$	Endowment Fund S\$	S\$	Fair value reserve S\$	
2022 (Restated)								
INCOME								
Income from generating voluntary funds								
Donations								
- Tax exempt	4	1,409,965	100,405	0	0	100,405	0	1,510,370
- Non-tax exempt		334,923	50	0	0	50	0	334,973
		<u>1,744,888</u>	<u>100,455</u>	<u>0</u>	<u>0</u>	<u>100,455</u>	<u>0</u>	<u>1,845,343</u>
Grants	5	<u>181,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>181,893</u>
Income from provision of care services								
Bad debts recovered	8	6,300	0	0	0	0	0	6,300
Membership subscriptions		300	0	0	0	0	0	300
Residents public assistance grants		139,776	0	0	0	0	0	139,776
Residents upkeep contributions		616,492	0	0	0	0	0	616,492
		<u>762,868</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>762,868</u>
Other income								
Interest income		1,027	0	0	77,100	77,100	0	78,127
Dividend income		0	0	0	21,018	21,018	0	21,018
Miscellaneous income		130	0	0	0	0	0	130
Special employment credit		66,379	0	0	0	0	0	66,379
Silver Support		300	0	0	0	0	0	300
		<u>67,836</u>	<u>0</u>	<u>0</u>	<u>98,118</u>	<u>98,118</u>	<u>0</u>	<u>165,954</u>
TOTAL INCOME		<u>2,757,485</u>	<u>100,455</u>	<u>0</u>	<u>98,118</u>	<u>198,573</u>	<u>0</u>	<u>2,956,058</u>
EXPENDITURE								
Cost of generating voluntary funds								
Other fund-raising expenses		29,893	0	0	0	0	0	29,893
		<u>29,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,893</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	Unrestricted	Restricted Funds			Total	Other	Total
		Fund	Building	Land Lease	Endowment	Restricted	reserve	
		General	Fund	Fund	Fund	Funds	Fair value	
		Fund	S\$	S\$	S\$	S\$	reserve	S\$
		S\$					S\$	S\$
2022 (Restated)								
EXPENDITURE (CONT'D)								
Cost of provision of care services								
Service costs								
- Cleaning		13,874	0	0	0	0	0	13,874
- Counselling services		17,500	0	0	0	0	0	17,500
- Pest control		10,470	0	0	0	0	0	10,470
- Physiotherapist services		18,330	0	0	0	0	0	18,330
Depreciation	9	165,031	634,978	96,002	0	730,980	0	896,011
Donated expense		77,192	0	0	0	0	0	77,192
Employment agency fee		361	0	0	0	0	0	361
Food and provisions		99,767	0	0	0	0	0	99,767
General expenses		5,679	0	0	0	0	0	5,679
Insurance		19,208	0	0	0	0	0	19,208
License fees		500	0	0	0	0	0	500
Medical and clinical expenses		23,777	0	0	0	0	0	23,777
Reinstatement expenses		11,000	0	0	0	0	0	11,000
Repair and maintenance		82,682	5,531	0	0	5,531	0	88,213
Sponsored purchases		4,108	0	0	0	0	0	4,108
Staff costs								
- CPF and SDL contribution		49,131	0	0	0	0	0	49,131
- Foreign workers' levy		136,947	0	0	0	0	0	136,947
- Salaries and annual wage supplements		769,840	0	0	0	0	0	769,840
- Staff repatriation travel		4,665	0	0	0	0	0	4,665
- Staff training		4,910	0	0	0	0	0	4,910
- Staff welfare		15,342	0	0	0	0	0	15,342
- Uniforms		3,341	0	0	0	0	0	3,341
Transportation		4,796	0	0	0	0	0	4,796
Tenancy rental		9,550	0	0	0	0	0	9,550
Utilities		187,598	(5,440)	0	0	(5,440)	0	182,158
		<u>1,735,599</u>	<u>635,069</u>	<u>96,002</u>	<u>0</u>	<u>731,071</u>	<u>0</u>	<u>2,466,670</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	Unrestricted Fund	Restricted Funds				Other reserve	Total S\$
		General Fund S\$	Building Fund S\$	Land Lease Fund S\$	Endowment Fund S\$	Total Restricted Funds S\$	Fair value reserve S\$	
2022 (Restated)								
EXPENDITURE (CONT'D)								
Governance and administrative costs								
Administrative								
- Audit fees		5,100	0	0	0	0	0	5,100
- Bank charges		7,832	56	0	0	56	0	7,888
- Commission		0	0	0	304	304	0	304
- Employment agency fee		9,349	0	0	0	0	0	9,349
- Legal and professional fees		11,408	48,814	0	0	48,814	0	60,222
- GST expenses		61,113	6,772	0	0	6,772	0	67,885
- Printing and stationeries		10,701	0	0	0	0	0	10,701
- Telecommunications		16,364	0	0	0	0	0	16,364
- Video and opening ceremony		21,739	0	0	0	0	0	21,739
Staff costs								
- CPF and SDL contribution		47,910	0	0	0	0	0	47,910
- Salaries and annual wage supplements		290,383	0	0	0	0	0	290,383
		<u>481,899</u>	<u>55,642</u>	<u>0</u>	<u>304</u>	<u>55,946</u>	<u>0</u>	<u>537,845</u>
TOTAL EXPENDITURE		<u>2,247,391</u>	<u>690,711</u>	<u>96,002</u>	<u>304</u>	<u>787,017</u>	<u>0</u>	<u>3,034,408</u>
NET SURPLUS/(DEFICIT)		510,094	(590,256)	(96,002)	97,814	(588,444)	0	(78,350)
Fair value loss	16	0	0	0	0	0	(198,676)	(198,676)
Transfers between funds	14, 15	<u>(300,000)</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>
Net movement in funds		210,094	(290,256)	(96,002)	97,814	(288,444)	(198,676)	(277,026)
Accumulated funds brought forward		<u>911,056</u>	<u>15,233,533</u>	<u>2,304,058</u>	<u>6,046,351</u>	<u>23,583,942</u>	<u>(80,404)</u>	<u>24,414,594</u>
Accumulated funds carried forward		<u>1,121,150</u>	<u>14,943,277</u>	<u>2,208,056</u>	<u>6,144,165</u>	<u>23,295,498</u>	<u>(279,080)</u>	<u>24,137,568</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31.12.2023 S\$	31.12.2022 S\$ (Restated)	01.01.2022 S\$ (Restated)
ASSETS				
Current assets				
Cash and cash equivalents	7	7,201,230	5,674,742	5,894,982
Other receivables	8	124,787	48,699	215,272
		<u>7,326,017</u>	<u>5,723,441</u>	<u>6,110,254</u>
Non-current assets				
Property, plant and equipment	9	16,539,421	18,114,183	17,962,573
Financial assets, at FVOCI	10	2,336,772	1,499,264	1,134,511
Intangible assets	11	733,922	0	0
		<u>19,610,115</u>	<u>19,613,447</u>	<u>19,097,084</u>
Total assets		<u>26,936,132</u>	<u>25,336,888</u>	<u>25,207,338</u>
LIABILITIES				
Current liabilities				
Other payables and accruals	12	517,214	711,282	304,706
Non-current liabilities				
Deferred capital grants	13	564,861	488,038	488,038
Total liabilities		<u>1,082,075</u>	<u>1,199,320</u>	<u>792,744</u>
NET ASSETS		<u>25,854,057</u>	<u>24,137,568</u>	<u>24,414,594</u>
FUNDS				
Unrestricted fund				
General fund	14	3,246,084	1,121,150	911,056
Restricted funds				
Building fund	15	14,295,989	14,943,277	15,233,533
Land lease fund	15	2,112,053	2,208,056	2,304,058
Endowment fund	15	6,350,778	6,144,165	6,046,351
		<u>22,758,820</u>	<u>23,295,498</u>	<u>23,583,942</u>
Other reserve				
Fair value reserve	16	(150,847)	(279,080)	(80,404)
TOTAL FUNDS		<u>25,854,057</u>	<u>24,137,568</u>	<u>24,414,594</u>

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

**STATEMENT OF CHANGES IN FUNDS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted fund	Restricted funds				Other reserve	Total S\$
		General fund S\$	Building fund S\$	Land lease fund S\$	Endowment fund S\$	Total restricted funds S\$	Fair value reserve S\$	
2023								
Balance at beginning of financial year		1,121,150	14,943,277	2,208,056	6,144,165	23,295,498	(279,080)	24,137,568
Surplus/(deficit)		2,124,934	(647,288)	(96,003)	206,613	(536,678)	0	1,588,256
Fair value gain	16	0	0	0	0	0	128,233	128,233
Transfer between funds		0	0	0	0	0	0	0
Balance at end of financial year		<u>3,246,084</u>	<u>14,295,989</u>	<u>2,112,053</u>	<u>6,350,778</u>	<u>22,758,820</u>	<u>(150,847)</u>	<u>25,854,057</u>
2022 (Restated)								
Balance at beginning of financial year, as previously reported		1,399,094	15,233,533	2,304,058	5,965,947	23,503,538	0	24,902,632
Restatements	27	(488,038)	0	0	80,404	80,404	(80,404)	(488,038)
Balance at beginning of financial year, as restated		911,056	15,233,533	2,304,058	6,046,351	23,583,942	(80,404)	24,414,594
Surplus/(deficit)		510,094	(590,256)	(96,002)	97,814	(588,444)	0	(78,350)
Fair value loss	16	0	0	0	0	0	(198,676)	(198,676)
Transfer between funds		(300,000)	300,000	0	0	300,000	0	0
Balance at end of financial year		<u>1,121,150</u>	<u>14,943,277</u>	<u>2,208,056</u>	<u>6,144,165</u>	<u>23,295,498</u>	<u>(279,080)</u>	<u>24,137,568</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	2023 S\$	2022 S\$ (Restated)
Cash flows from operating activities			
Net surplus/(deficit) for the financial year		1,588,256	(78,350)
Adjustments for:			
- Amortization of intangible assets	11	183,480	0
- Depreciation of property, plant and equipment	9	899,741	896,011
- Amortization of deferred capital grants	13	(141,215)	0
- Interest income		(202,487)	(78,127)
Operating cash flow before changes in working capital		<u>2,327,775</u>	<u>739,534</u>
Changes in working capital:			
- Other receivables		(36,252)	167,045
- Other payables and accruals		(194,068)	406,576
- Deferred capital grant		218,038	0
Net cash flows from operations		<u>2,315,493</u>	<u>1,313,155</u>
Interest received		<u>2,053</u>	<u>1,027</u>
Net cash generated from operating activities		<u>2,317,546</u>	<u>1,314,182</u>
Cash flows from investing activities			
Interest received		160,598	76,628
Purchases of property, plant and equipment	9	(242,381)	(1,047,621)
Purchases of financial assets, at FVOCI - Bonds		(709,275)	0
Purchases of financial assets, at FVOCI - Quoted equity shares		0	(563,429)
Net cash used in investing activities		<u>(791,058)</u>	<u>(1,534,422)</u>
Net increase/(decrease) in cash and cash equivalents		1,526,488	(220,240)
Cash and cash equivalents at beginning of financial year		<u>5,624,742</u>	<u>5,844,982</u>
Cash and cash equivalents at end of financial year	7	<u>7,151,230</u>	<u>5,624,742</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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

1. General information

St. John's Home for Elderly Persons (the "Home") is registered and domiciled in Singapore. The Home's registered office and principal place of operation is located at 1 Willow Avenue, Singapore 347508.

The Home was registered on 18 October 1961 under the Societies Act 1966 (the "Society Act").

The objective of the Home is to provide shelter and to care for the physical and spiritual needs of such elderly persons as have no home or suitable accommodation and no children or close relatives who have adequate facilities for looking after them. The Home is open to all regardless of race or creed.

The Home is a charity registered under the Charities Act 1994 (the "Charities Act") since 12 March 1988. The Home is granted Institution of a Public Character ("IPC") status for the period from 1 April 20 to 31 March 2022 and subsequently renewed from 01 April 2022 to 31 March 2026.

In compliance with GST rule for existing and future services, the Home was registered as a GST entity with effect from 01 July 2020.

2. Significant accounting policies**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Societies Act 1966, the Charities Act 1994 and other relevant regulations. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is the Home's functional currency. Functional currency is the currency of the primary economic environment in which the Home operates. All financial information presented is denominated in Singapore Dollar unless otherwise stated.

The preparation of the financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Home's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2023

In the current financial year, the Home adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are relevant and mandatory to its operations and effective on 1 January 2023. 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 or amended FRSs and INT FRSs did not result in substantial changes to the Home's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)**2.1 Basis of preparation (Cont'd)****Standards and issued but not yet effective**

The Home has not adopted the following relevant new/ revised FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

Descriptions	Annual periods commencing on
Amendments to: <ul style="list-style-type: none"> - FRS 1 : Classification of Liabilities as Current or Non-current - FRS 116 : Lease Liability in a Sale and leaseback - FRS 1 : Non-current Liabilities with Covenants 	1 January 2024
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The management expects that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

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

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

Income is recognised as follows:

2.2.1 Donations

Donations, income from charitable activities and all income except as listed below, are recognised on receipt. In the case of donations received through Giving.sg, donations committed are recognised as donations received. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Rendering of services – Resident upkeep fee

Revenue from services is recognised over the period in which the services are rendered, in accordance with the relevant agreements.

2.2.3 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.2.4 Other income

Other income is recognised when earned.

2. Significant accounting policies (Cont'd)

2.3 Government grants

Grants from the Government and non-profit organisations are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Home will comply with all attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants, relating to costs, are deferred and recognised over the period necessary to match them with the costs they are intended to compensate.

2.4 Expenditure recognition

All expenditures are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.4.1 Cost of generating funds

Cost of generating funds consists of costs of generating voluntary income, costs that are directly attributable to the fund-raising activities and are separated from those costs incurred in undertaking charitable activities.

2.4.2 Cost of provision of care services

Cost of provision of care services comprises all costs incurred in the pursuit of the charitable objects of the Home. The total costs of provision of care services are apportionment of overhead and shared costs.

2.4.3 Governance and administrative costs

Governance and administrative costs of governance arrangement, which relate to the general running of the Home, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.5. Employee compensation

2.5.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Home pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Home has no further payment obligations once the contribution has been paid. The Home's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.5.2 Employee leaves entitlement

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

2. Significant accounting policies (Cont'd)

2.6 Financial assets

(a) Classification and measurement

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

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

The classification of debt instruments depends on the Home's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

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

The Home reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

At subsequent measurement

Debt instruments

Debt instruments of the Home mainly comprise of "Cash and cash equivalents" and "Other receivables".

There are three subsequent measurement categories, depending on the Home's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in statement of financial activities. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of financial activities and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

(a) Classification and measurement (Cont'd)

At subsequent measurement (Cont'd)

Debt instruments (Cont'd)

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

Investments in bonds

The Home subsequently measures all its bond investments at their fair values. Bond investments are classified as FVPL with movements in their fair values recognised in the statement of financial activities in the period in which the changes arise and presented in "Investment Income".

Equity investments

The Home subsequently measures all its equity investments at their fair values.

Equity instruments are classified as FVPL with movements in their fair values recognised in the profit and loss in the period in which the changes arise and presented in "Other gains and losses", except for those equity securities which are not held for trading. The Home has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Home considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains/(losses)" in statement of financial activities. Dividends from equity investments are recognised in the statement of financial activities as "Dividend income".

(b) Impairment

The Home assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and bank balances and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Home has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)**2.6 Financial assets (Cont'd)**

(c) Recognition and derecognition (Cont'd)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in the statement of financial activities if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with financial institutions that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in values.

2.8 Property, plant and equipment

2.8.1 Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.8.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Equipment	5 years
Furniture and fittings	5 years
Leasehold building	24 years - over the remaining useful lives of leasehold land
Leasehold land	30 years
Motor vehicles	10 years
Renovation	10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities when the changes arise.

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

2. Significant accounting policies (Cont'd)**2.8 Property, plant and equipment (Cont'd)****2.8.3 Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Home and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognised in the statement of financial activities when incurred.

2.8.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities.

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding development costs, are not capitalised expenditure and is reflected in profit or loss in the financial year in which the expenditure is incurred.

The Home do not have other intangible asset with indefinite useful life.

Intangible assets with finite useful life are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefit embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss when the asset is de-recognised.

Software

Software is stated at cost less accumulated amortisation and impairment losses, if any. The costs are amortised using the straight-line method over its estimated useful life of 5 years.

2.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

2. Significant accounting policies (Cont'd)

2.10 Impairment of non-financial assets (Cont'd)

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of financial activities, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in the statement of financial activities.

2.11 Financial liabilities

Financial liabilities are recognised when, and only when, the Home becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables" in the statement of financial position.

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

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

2.12 Other payable

Other payables excluding accruals are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2. Significant accounting policies (Cont'd)

2.13 Leases

At the inception of the contract, the Home assess if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

When the Home is the lessee:

- Right-of-use assets

The Home recognised a right-of-use asset and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted of any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If ownership of the leased asset transfers to the Home at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10. The Home's right-of-use asset is presented within "Property, plant and equipment" as disclosed in Note 8.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Home shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Home exercising that option.

In calculating the present value of lease payments, the Home uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

For contract that contain both lease and non-lease components, the Home allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Home has elected to not separate lease and non-lease component for property lease and account these as one single lease component.

2. Significant accounting policies (Cont'd)

2.13 Leases (Cont'd)

When the Home is the lessee: (Cont'd)

- Lease liabilities (Cont'd)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Home's assessment of whether it will exercise an extension option;
or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Home has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Home applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Home applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Home chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Home assesses whether there is a lease modification.

- Short-term and low-value leases

The Home has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less from the commencement date and do not contain a purchase option and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to the statement of financial activities on a straight-line basis over the lease term.

- Variable lease payments

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

2.14 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Home has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.15 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Home's purposes.

2. Significant accounting policies (Cont'd)

2.16 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.17 Events after the reporting date

Post year-end events that provide additional information about the Home's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical accounting estimates and assumptions

The Home makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

3.1.1 Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the financial year and a suitable discount rate.

3.1.2 Estimated useful lives of property, plant and equipment and intangible assets

The Home reviews annually the estimated useful lives of property, plant and equipment and intangible assets based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

3.1.3 Provision for expected credit losses (ECL) of other receivables

The Home uses a provision matrix to calculate ECL for other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Home's historical observed default rates. The Home will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Home's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3. Critical accounting estimates, assumptions and judgements (Cont'd)

3.2 Critical judgements in applying the entity's accounting policies

The critical judgements in applying the entity's accounting policies at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.2.1 Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the financial year these operating expenses were incurred and there is reasonable assurance that the Home will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Home if the conditions are not met.

4. Tax deductible receipts

During the financial year, the Home issued tax-exempt receipts for donations collected amounting to S\$1,931,003 (2022: S\$1,510,370) pursuant to its Institutions of a Public Character ("IPC") status. They are recorded as follows:

	2023 S\$	2022 S\$
<u>Statement of financial activities</u>		
Donations:		
• General fund	1,930,543	1,409,965
• Building fund	100	100,405
Total	<u>1,930,643</u>	<u>1,510,370</u>

5. Grants

	2023 S\$	2022 S\$
People's Association - CDC Vouchers Donation Scheme	6,285	0
President's Challenge	22,500	0
Tote Board - Enhanced Fund-Raising Programme	114,782	181,893
Others	18,249	0
	<u>161,816</u>	<u>181,893</u>

6. Fund-raising events

There is one fund-raising event held such as Gala dinner during the financial year 2023 (2022: Nil). Fund-raising ratios calculated are as follows:

	2023 S\$	2022 S\$
Gross donations	258,495	0
Direct cost of fund-raising expenses	<u>33,674</u>	<u>0</u>
Percentage of direct fund-raising expenses over gross donations	<u>13%</u>	<u>0</u>

For the current financial year ended 31 December 2023, the Home kept their fund-raising efficiency ratio below 30%. This is commonly known as the 30/70 rule.

7. Cash and cash equivalents

	2023 S\$	2022 S\$
Cash at bank	1,110,398	1,277,900
Fixed deposits	<u>6,090,832</u>	<u>4,396,842</u>
	<u>7,201,230</u>	<u>5,674,742</u>

Cash at bank earns interest at bank deposit rates.

At the reporting date, the fixed deposits are with interest from 3.36% to 3.74% (2022: 2.33% to 2.35%) per annum. Interest earned but not yet received as at reporting date is recognised under other receivables as disclosed in Note 8. The principal and interest will be rolled forward for the same tenor until further instructions from the Home.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2023 S\$	2022 S\$
Cash and cash equivalents (as above)	7,201,230	5,674,742
Less: Fixed deposits pledged for credit card facilities	<u>(50,000)</u>	<u>(50,000)</u>
	<u>7,151,230</u>	<u>5,624,742</u>

As at the end of the reporting date, the tenures of the fixed deposits are as follows:

	2023 S\$	2022 S\$
Less than 3 months	1,709,796	4,346,842
3 to 6 months	200,640	0
6 to 12 months	<u>4,180,396</u>	<u>50,000</u>
	<u>6,090,832</u>	<u>4,396,842</u>

The fixed deposits may be uplifted by the Home prior to maturity date if necessary.

7 Cash and cash equivalents (Cont'd)

At the reporting date, the cash and cash equivalents are attributable to:

	Note	2023 S\$	2022 S\$
General fund		3,049,115	633,143
Building fund and Land lease fund	14	326,478	683,542
Endowment fund	14	3,825,637	4,358,057
		<u>7,201,230</u>	<u>5,674,742</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

8. Other receivables

	Note	2023 S\$	2022 S\$
Resident's upkeep fees		12,465	0
Less: Allowance for impairment		<u>0</u>	<u>0</u>
		<u>12,465</u>	<u>0</u>
Deposits		21,340	8,650
GST receivables	14	0	15,723
Interest receivables-bond		9,990	7,792
Interest receivables- fixed deposit		39,678	0
Prepayments		41,314	14,527
Other receivables		0	2,007
		<u>112,322</u>	<u>48,699</u>
		<u>124,787</u>	<u>48,699</u>

Other receivables are non-trade, interest-free, unsecured and repayable on demand.

Movement in allowance for impairment of residents' upkeep fees:

	2023 S\$	2022 S\$
Balance at beginning of financial year	0	6,300
Allowance made	0	0
Reversal of allowance	0	(6,300)
Balance at end of financial year	<u>0</u>	<u>0</u>

Other receivables that were determined to be impaired at the reporting date relate to debtors that were in significant financial difficulties and had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

At the reporting date, the carrying amounts of other receivables approximated their fair values.

9. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	Transfer S\$	Balance at end of year S\$
2023				
At cost				
Equipment	587,436	0	0	587,436
Furniture and fittings	237,718	0	0	237,718
Leasehold building	15,239,467	0	0	15,239,467
Leasehold land	2,880,070	0	0	2,880,070
Motor vehicles	66,372	0	0	66,372
Renovation	0	37,290	0	37,290
Software development in progress	712,311	205,091	(917,402)	0
	<u>19,723,374</u>	<u>242,381</u>	<u>(917,402)</u>	<u>19,048,353</u>
	Balance at beginning of year S\$	Depreciation charge S\$	Transfer S\$	Balance at end of year S\$
Accumulated depreciation				
Equipment	188,284	117,487	0	305,771
Furniture and fittings	47,543	47,544	0	95,087
Leasehold building	634,978	634,978	0	1,269,956
Leasehold land	672,014	96,003	0	768,017
Motor vehicles	66,372	0	0	66,372
Renovation	0	3,729	0	3,729
Software development in progress	0	0	0	0
	<u>1,609,191</u>	<u>899,741</u>	<u>0</u>	<u>2,508,932</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Carrying amount				
Equipment	399,152			281,665
Furniture and fittings	190,175			142,631
Leasehold building	14,604,489			13,969,511
Leasehold land	2,208,056			2,112,053
Motor vehicles	0			0
Renovation	0			33,561
Software development in progress	712,311			0
	<u>18,114,183</u>			<u>16,539,421</u>

During the current financial year, this was transferred to intangible assets at cost amounting to S\$917,402 upon the completion of software development (Note 11).

9. Property, plant and equipment (Cont'd)

2022	Balance at beginning of year S\$	Additions S\$	Transfer S\$	Balance at end of year S\$
At cost				
Equipment	151,988	104,398	331,050	587,436
Furniture and fittings	0	71,807	165,911	237,718
Leasehold building	0	0	15,239,467	15,239,467
Leasehold land	2,880,070	0	0	2,880,070
Motor vehicles	66,372	0	0	66,372
Capital work in progress	14,499,333	740,134	(15,239,467)	0
Furniture and fittings in progress	496,961	0	(496,961)	0
Software development in progress	581,029	131,282	0	712,311
	<u>18,675,753</u>	<u>1,047,621</u>	<u>0</u>	<u>19,723,374</u>
Accumulated depreciation				
	Balance at beginning of year S\$	Depreciation charge S\$	Transfer S\$	Balance at end of year S\$
Equipment	70,796	117,488	0	188,284
Furniture and fittings	0	47,543	0	47,543
Leasehold building	0	634,978	0	634,978
Leasehold land	576,012	96,002	0	672,014
Motor vehicles	66,372	0	0	66,372
Capital work in progress	0	0	0	0
Furniture and fittings in progress	0	0	0	0
Software development in progress	0	0	0	0
	<u>713,180</u>	<u>896,011</u>	<u>0</u>	<u>1,609,191</u>
Carrying amount				
	Balance at beginning of year S\$			Balance at end of year S\$
Equipment	81,192			399,152
Furniture and fittings	0			190,175
Leasehold building	0			14,604,489
Leasehold land	2,304,058			2,208,056
Motor vehicles	0			0
Capital work in progress	14,499,333			0
Furniture and fittings in progress	496,961			0
Software development in progress	581,029			712,311
	<u>17,962,573</u>			<u>18,114,183</u>

Capital work-in-progress represents construction costs in progress of S\$16.4 million (inclusive of GST, Government fees, and fees to consultants) as at the reporting date for the new five storey building at 1 Willow Avenue Singapore 347508. Capital work-in-progress included property, plant and equipment that is not depreciated as the construction of the building has yet to be completed and available for use. As at 31 December 2022, total capital work-in-progress incurred and accounted for amounting to S\$15,239,467 and this was transferred to Leasehold building upon the completion of construction. The Leasehold building began to be depreciated from financial year 2022 and onwards.

Leasehold building with carrying amount of S\$13,969,511 (2022: S\$14,604,489) is held by Alfreds Victor Vijendran, Andrew Lioe Hui Siang and Woon Wee Yim, which are held in trust for the Home.

10. Financial assets, at FVOCI

	Note	2023 S\$	2022 S\$
<u>Quoted instruments - at fair value</u>			
Beginning of financial year		1,499,264	1,134,511
Additions		709,275	563,429
Fair value changes on investments			
- Bonds		82,712	(143,065)
- Quoted equity shares		45,521	(55,611)
End of financial year	14	<u>2,336,772</u>	<u>1,499,264</u>

At the reporting date, financial assets, at FVOCI consist of:

	2023 S\$	2022 S\$
Bonds		
- HDB 2.598% p.a. & maturity of 30.10.2029	490,660	462,775
- LTA 3.51% p.a. & maturity of 18.09.2030	515,210	487,055
- NTUC Fair Price Co-Op 3.46% & maturity of 24.05.2029	244,713	0
- NE Age 1.67% & maturity of 15.09.2031	227,282	0
- HDB 3.995% and maturity of 06.12.2029	263,952	0
	<u>1,741,817</u>	<u>949,830</u>
Quoted equity shares – Singapore		
- CapitaLand Ascendas REIT	130,593	118,094
- CapitaLand Integrated Commercial Trust	121,540	120,360
- Frasers CentrePoint Trust	119,328	110,880
- Keppel DC REIT	104,520	94,872
- Mapletree Industrial Trust	118,974	105,228
	<u>594,955</u>	<u>549,434</u>
	<u>2,336,772</u>	<u>1,499,264</u>

11. Intangible assets

	Note	2023 S\$	2022 S\$
<u>Computer software</u>			
At cost			
Balance at beginning of financial year		0	0
Reclassification	9	<u>917,402</u>	<u>0</u>
Balance at end of financial year		<u>917,402</u>	<u>0</u>
Accumulated amortisation			
Balance at beginning of financial year		0	0
Amortisation		<u>183,480</u>	<u>0</u>
Balance at end of financial year		<u>183,480</u>	<u>0</u>
Carrying amount		<u>733,922</u>	<u>0</u>

12. Other payables and accruals

	Note	2023 S\$	2022 S\$
Accruals		73,258	70,629
Other payables		64,242	42,428
Contract liabilities		38,998	37,393
GST payables		21,988	17,205
Retention payables	14	0	360,477
Provision for unutilised leaves		40,347	43,214
Refundable residents' upkeep deposit		278,381	139,936
		<u>517,214</u>	<u>711,282</u>

Other payables are unsecured, non-interest bearing and repayable on demand.

Contract liabilities relate to the Home's obligation to rend services to customers for the advances from residents. Contract liabilities is recognised as revenue when the services are rendered to the residents.

At the reporting date, the carrying amounts of other payables and accruals approximated their fair values.

13. Deferred capital grants

	2023 S\$	2022 S\$
Beginning of financial year	488,038	488,038
Additions	218,038	0
Amortisation	(141,215)	0
End of financial year	<u>564,861</u>	<u>488,038</u>

14. Unrestricted fund

General fund

General fund is available for use at the discretion of the Management Committee in furtherance of the Home's objective.

During the financial year, the Management Committee has not been approved any transfers among funds.

In the prior financial year, the Management Committee approved transfers totalling S\$300,000 from general fund to building fund on 25 January 2022 to pay for its capital expenditure.

15. Restricted funds

Restricted funds comprised:

Building fund

The Building Fund was setup in 2013 for the purpose of erecting a new building on 3,300 square metres of land leased for 30 years. The construction was successfully tendered out at S\$15.4 million including GST. Another S\$969,139 is for consultants' fees and fees to Government. The ground breaking ceremony was held on 1 September 2018. The new building became operational on 1 January 2022.

During the financial year ended 31 December 2022, the capital work-in-progress was transferred to building at cost amounting to S\$15,239,467 upon the completion of construction as disclosed in Note 8.

Land lease fund

The land lease fund was established in 2017 to reflect the carrying amounts of the land. A \$2,880,070 was paid to the Commissioner of Lands SLA as prepayment on 14 December 2015 for the 30 year lease beginning on 1 January 2016 for 3,300 square meter of the land, on which the new five storey building was constructed.

Net assets of the Building fund and Land lease fund are as follows:

	Note	2023 S\$	2022 S\$
Building fund and Land lease fund		<u>16,408,042</u>	<u>17,151,333</u>
Represented by:			
Cash and cash equivalents	7	326,478	683,542
Property, plant and equipment		16,081,564	16,812,545
Other receivables – GST receivables	8	0	15,723
Other payables and accruals	12	0	(360,477)
		<u>16,408,042</u>	<u>17,151,333</u>

Endowment fund

The endowment fund was established in 2017 as a long-term source of the Home's funds. No capital of the Endowment Fund shall be expended without obtaining the approval of at least three-quarter (3/4) votes of the Ordinary Members and Life Members present at a General Meeting of the Home. Amounts in excess of capital earned (which for the avoidance of doubt shall include net income, dividends, interest, accumulated surplus and capital gains) shall be applied by the Management Committee for the purposes as set out in Clause 3 of the Constitution.

Net assets of the Endowment fund are as follows:

	Note	2023 S\$	2022 S\$
Endowment fund		<u>6,199,931</u>	<u>5,865,085</u>
Represented by:			
Cash and cash equivalents	7	3,825,637	4,358,057
Financial assets, at FVOCI	10	2,336,772	1,499,264
Interest receivables		37,522	7,764
		<u>6,199,931</u>	<u>5,865,085</u>

16. Fair value reserve

	2023 S\$	2022 S\$
Beginning of financial year	(279,080)	(80,404)
Financial assets, at FVOCI		
- Fair value gains/(losses)	128,233	(198,676)
End of financial year	<u>(150,847)</u>	<u>(279,080)</u>

17. Income tax

The Home is a charity registered under the Charities Act. Consequently, the income of the Home is exempt from tax under the provisions of Section 13 (1)(zm) of the Income Tax Act 1947.

18. Related party transactions

The Home had no significant transactions with its related parties during the financial year (2022: S\$NIL).

The Management Committee members did not receive any remuneration from the Home during the financial year (2022: S\$NIL).

There are no paid staff who is a close family member of the Executive Head or any of the Management Committee Member during the financial year.

19. Key management personnel compensation

The Management Committee is of the opinion that the Home's General Manager, Finance and HR Manager, The Community Partnership/Fund-Raising Manager and Operation Manager are key personnel of the Home. The remuneration of Key Management Personnel is determined by the Management Committee.

Key management personnel compensation for the financial year are as follows:

	2023 S\$	2022 S\$
Short-term employee benefits	332,472	375,036
Post-employment benefits	51,655	38,786
	<u>384,127</u>	<u>413,822</u>
	2023 No. of key management personnel	2022 No. of key management personnel
Remuneration band		
Below S\$50,000	0	2
S\$50,001 to S\$100,000	2	3
S\$100,001 to S\$200,000	<u>2</u>	<u>1</u>

20. CommitmentsCapital commitments

Capital expenditure contracted for at the reporting date not recognised in the financial statement is As follows:

	2023 S\$	2022 S\$
IT Projects	<u>0</u>	<u>302,842</u>

21. Management of conflict of interest

There is no paid staff on the Home's Management Committee.

Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Home may enter into or in any organisations that the Home has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Home's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Management Committee member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

22. Governance**A. Board and executive management**

Honorary Treasurer of the Home has the maximum term limit of four consecutive years or less. The current Honorary Treasurer of the Home was appointed in June 2021.

B. Financial management and internal control

The Management Committee ensures that the internal control systems are in place with documented standard operating procedures for the key areas of financial matters such as procurement, payment and receipting. To ensure that the internal control systems are adequate and performed effectively, reviews are conducted during the financial year by the Management Committee and an independent internal auditor appointed by the Home to review its internal control systems and operations management.

The Home does not make any loans nor any donations to any external party.

C. Conduct of fund-raising activities

The Home held various fund-raising activities during the financial year. The major fund-raising activities are as follow:

- a. Gala dinner fund-raising project;
- b. Use of our webpage to create awareness of our Home's cause and our needs. We have online donation campaigns via our own website;
- c. Subscriptions to the Giving.sg, Give.asia and Simply Giving donation portals; and
- d. Organisations that chose us as beneficiary of their own fund-raising campaign. A number of them come to know us from our webpage publicity.

The Home has not used and does not use any commercial fundraiser.

23. Reserve position and policy

The Home's reserve position (excluding non-current assets) for the financial year 31 December 2023 is as follows:

	2023	2022	Increase (Decrease)	Percentage of Increase (Decrease)
	S\$'000	S\$'000	S\$'000	%
A Unrestricted Funds				
Accumulated General fund	3,246	1,121	2,125	190
B Building Funds	14,296	14,943	(647)	(4)
C Land Lease Funds	2,112	2,208	(96)	(4)
D Endowment Funds	6,351	6,144	207	3
E Fair value reserve	(151)	(279)	128	46
F Total Funds	25,854	24,137	1,717	7
Total Annual Operating Expenditure	3,244	3,034	210	7
Total Amortisation and depreciation	1,083	896	187	21
G Total Annual Operating Expenditure (exclude amortisation and depreciation)	2,161	2,138	23	1
H Ratio of Funds to Annual Operating Expenditure (A/G)	1.50	0.52	0.98	188

Reference:

- D. An endowment fund consists of assets, funds or property, which is held in perpetuity which produces annual income flow for a foundation to spend as grants.
- F. Total Funds include unrestricted, restricted/designated and endowment funds.
- G. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Administrative Costs.

The Home's Reserve Policy are as follows:

- (a) The Home intends to follow the guidelines in the Code of Governance for the Charities and IPCs.
- (b) Funds in the Reserve are to provide for financial stability and the means for the development of our principal activity.
- (c) Should these funds be required for the construction of the new building, they may be drawn down.
- (d) Once the building has been paid for, the Home intends to build up its Reserve to a level which is equivalent to two years of operating expenditure, excluding depreciation. Annual operating surpluses will be transferred to the Reserve.
- (e) Once the Reserve has two years of operating expenditures, operating surpluses will be transferred to a Sinking Fund, to be used for:
 - (i) cyclical maintenance and renovations of the building occupied by the Home; and
 - (ii) Renewal in 2045 of the land lease.

24. Financial instruments

The financial assets and liabilities of the Home as at the end of financial year are as follows:

	2023 S\$	2022 S\$
Financial assets at amortised cost		
Cash and cash equivalents	7,201,230	5,674,742
Other receivables (excluding prepayments and GST receivables)	83,473	18,449
	<u>7,284,703</u>	<u>5,693,191</u>
Financial assets at FVOCI	<u>2,336,772</u>	<u>1,499,264</u>
Financial liabilities at amortised cost		
Other payables (excluding contract liabilities, GST payables and provision for unutilised leaves)	<u>415,881</u>	<u>613,470</u>

25. Financial risk management

The Home's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee ("MC") of the Home on an informal basis.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, resulting in financial loss to the Home.

The Home adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Home mitigate its credit risk by transacting only with banks and brokerage that are licensed by MAS and for investments, it is guided by the investment policy approved by MC.

There is no significant concentration of credit risk, whether through exposure to specific industry sectors and/or regions.

Except for those disclosed in Note 7, there are no credit loss allowance for other financial assets at amortised cost as at 31 December 2023 and 31 December 2022.

Liquidity risk

Liquidity risk is the risk that the Home will encounter difficulty in meeting its financial obligations due to shortage of funds. The Home exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

The Home manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the Management Committee to fund the Home's operations and to mitigate the effects of fluctuations in short-term cash flows.

25. Financial risk management (Cont'd)Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Home's financial assets and financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Later than five years S\$	Total S\$
2023				
Cash and cash equivalents	7,201,230	0	0	7,201,230
Other receivables (excluding prepayments and GST receivables)	83,473	0	0	83,473
	<u>7,284,703</u>	<u>0</u>	<u>0</u>	<u>7,284,703</u>
Financial asset, at FVOCI	<u>0</u>	<u>594,955</u>	<u>1,741,817</u>	<u>2,336,772</u>
Financial liabilities, at amortised cost				
Other payables (excluding contract liabilities, GST payables and provision for unutilised leaves)	<u>415,881</u>	<u>0</u>	<u>0</u>	<u>415,881</u>
	Within one year S\$	Later than one year but not later than five years S\$	Later than five years S\$	Total S\$
2022				
Financial asset at amortised cost				
Cash and cash equivalents	5,674,742	0	0	5,674,742
Other receivables (excluding prepayments and GST receivables)	18,449	0	0	18,449
	<u>5,693,191</u>	<u>0</u>	<u>0</u>	<u>5,693,191</u>
Financial asset, at FVOCI	<u>0</u>	<u>549,434</u>	<u>949,830</u>	<u>1,499,264</u>
Financial liabilities, at amortised cost				
Other payables (excluding contract liabilities, GST payables and provision for unutilised leaves)	<u>613,470</u>	<u>0</u>	<u>0</u>	<u>613,470</u>

25. Financial risk management (Cont'd)Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Home's financial instruments will fluctuate because of changes in market interest rates. The Home's exposure to interest rate risk arises primarily from their cash and cash equivalents.

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

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Home's interest-bearing financial instruments was as follows:

	2023 S\$	2022 S\$
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits	<u>6,090,832</u>	<u>4,396,842</u>

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

At the reporting date, the Home does not have variable rate interest-bearing financial instruments.

26. Fair values

The table below presents financial instruments measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) Inputs for the assets or liability that are not based on observable market data (unobservable inputs) (Level 3).

		Level 1 S\$	Level 2 S\$	Level 3 S\$
2023				
Financial assets, at FVOCI	Note 10	<u>594,955</u>	<u>1,741,817</u>	<u>0</u>
2022				
Financial assets, at FVOCI	10	<u>549,434</u>	<u>949,830</u>	<u>0</u>

The fair value of financial instruments traded in active markets (such financial asset, at fair value through other comprehensive income) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Home is the current bid price. These instruments are included in Level 1.

26. Fair values (Cont'd)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Home uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. These investments are classified as Level 2 and comprise debt investments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

There were no transfers between level 1 and level 2 during the financial years ended 31 December 2023 and 31 December 2022.

Cash and cash equivalents, other receivables, other payables.

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Home approximated their fair values due to their short-term nature.

27. Comparative figures

The comparative figures for the financial year ended 31 December 2022 and before have been restated in these financial statements due to the Home's non-recognition of deferred capital grants and error in classification of its investments in financial assets, at FVOCI in the prior years.

The effect of the restatement is summarised as below:

	As previously reported S\$	Restatement S\$	As restated S\$
31.12.2022			
Statement of financial activities			
<u>Cost of provision of care services</u>			
Fair value changes on investments - Bonds	143,065	(143,065)	0
Fair value changes on investments - Quoted equity shares	<u>55,611</u>	<u>(55,611)</u>	<u>0</u>
Statement of financial position			
<u>Non-current assets</u>			
Financial assets, at FVPL	1,499,264	(1,499,264)	0
Financial assets, at FVOCI	0	1,499,264	1,499,264
<u>Non-current liabilities</u>			
Deferred capital grants	0	488,038	488,038
<u>Funds</u>			
Unrestricted fund – General fund	1,609,188	(488,038)	1,121,150
Restricted funds – Endowment fund	5,865,085	279,080	6,144,165
Other reserves – Fair value reserve	<u>0</u>	<u>(279,080)</u>	<u>(279,080)</u>

27. Comparative figures (Cont'd)

The effect of the restatement is summarised as below: (Cont'd)

31.12.2021**Statement of financial activities**Cost of provision of care services

Fair value changes on investments – Bonds	81,655	(81,655)	0
Fair value changes on investments – Quoted equity shares	<u>(1,251)</u>	<u>1,251</u>	<u>0</u>

Statement of financial positionNon-current assets

Financial assets, at FVPL	1,134,511	(1,134,511)	0
Financial assets, at FVOCI	0	1,134,511	1,134,511

Non-current liabilities

Deferred capital grants	0	488,038	488,038
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Funds

Unrestricted fund – General fund	1,399,094	(488,038)	911,056
Restricted funds – Endowment fund	5,965,947	80,404	6,046,351
Other reserves – Fair value reserve	<u>0</u>	<u>(80,404)</u>	<u>(80,404)</u>

28. Impact of Coronavirus Disease 2019 (COVID-19)

As the COVID-19 situation has improved and moved from pandemic to endemic, restrictions have been gradually released. Unless there is any new COVID-19 variant causing the government to restart the safe management measures, the Home can reasonably ascertain the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2024 would be marginal.

The Home has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Management Committee is continuously monitoring the COVID-19 situation and will take further action as necessary in response to the service disruption.

29. Authorisation of financial statements

These financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Management Committee of the Home on 20 May 2024.