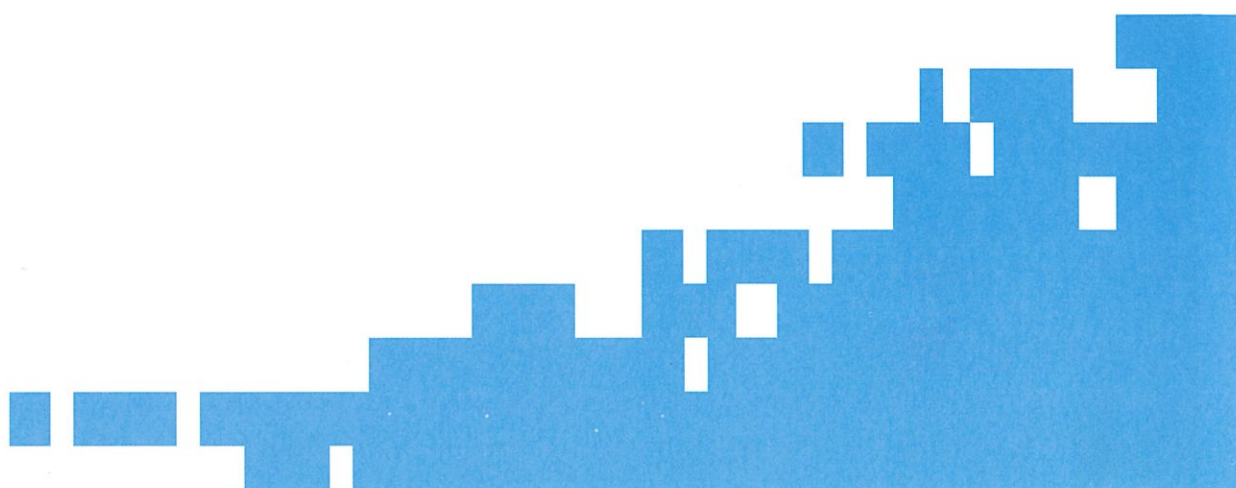


# SOCIETY FOR THE AGED SICK

(Registered in Singapore under the Societies Act 1966 and Charities Act 1994)

(Unique Entity No.: S68SS0022J)

Statement by the Executive Committee and Financial Statements  
Reporting Year Ended 31 March 2025



**SOCIETY FOR THE AGED SICK**

**Statement by the Executive Committee and Financial Statements**

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## **SOCIETY FOR THE AGED SICK**

### **Statement by Executive Committee**

The executive committee of the society are pleased to present the financial statements of the Society for The Aged Sick (the "Society") for the reporting year ended 31 March 2025.

### **Opinion of the Executive Committee**

In the opinion of the Executive Committee,

- a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of the reporting entity and of the results of the Society for the reporting year covered by the financial statements.
- b) the Society has complied with the requirements Regulations 11 and 15 of the Charities (Institutions of a Public Character) Regulations 2012 relating to the use of donation monies and the fund-raising expenses respectively; and
- c) at the date of the statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Executive Committee approved and authorised these financial statements for issue.

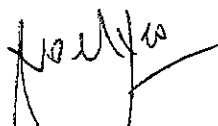
### **Independent auditor**

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the Executive Committee



Mr Chew Loy Cheow  
President



Dr Noel Yeo Sheng Ming  
Hon. Treasurer

26 August 2025

**RSM SG Assurance LLP**

8 Wilkie Road, #03-08, Wilkie Edge  
Singapore 228095

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Assurance@RSMSingapore.sg  
www.RSMSingapore.sg

**Independent Auditor's Report to the Members of  
SOCIETY FOR THE AGED SICK**

**Report on the audit of financial statements**

**Opinion**

We have audited the accompanying financial statements of Society for The Aged Sick (the "Society"), which comprise the statement of financial position as at 31 March 2025, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statement, including material accounting policy information.

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 Society as at 31 March 2025 and of the financial activities, changes in funds and cash flows of the Society for the year ended on that date.

**Basis for opinion**

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

**Other information**

Management is responsible for the other information. The other information comprises the information included in the statement by the Executive Committee and the annual report but does not include the financial statements and our auditor's report thereon.

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

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

## **Independent Auditor's Report to the Members of SOCIETY FOR THE AGED SICK**

### **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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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:

- a) 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.
- b) 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 Society's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## **Independent Auditor's Report to the Members of SOCIETY FOR THE AGED SICK**

### **Auditor's responsibilities for the audit of the financial statements**

- 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 Society'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 Society to cease to continue as a going concern.
- e) 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.

We also provide the Executive Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Society have been properly kept in accordance with the provisions of the Societies Act, and 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 year:

- (a) The Society 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 Society has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

**Independent Auditor's Report to the Members of  
SOCIETY FOR THE AGED SICK**

**Report on other legal and regulatory requirements**

The engagement partner on the audit resulting in this independent auditor's report is Lee Guoyong.

A handwritten signature in black ink, appearing to read "RSM SG Assurance LLP".

RSM SG Assurance LLP  
Public Accountants and  
Chartered Accountants  
Singapore

26 August 2025

Engagement partner – effective from year ended 31 March 2025

# SOCIETY FOR THE AGED SICK

## Statement of Financial Activities Reporting Year Ended 31 March 2025

		<u>2025</u>			<u>2024</u>		
	<u>Notes</u>	Unrestricted general funds \$	Restricted funds \$	Total \$	Unrestricted general funds \$	Restricted funds \$	Total \$
<b><u>Income</u></b>							
Voluntary income		1,112,463	46,492	1,158,955	2,409,131	21,103	2,430,234
Income from charitable activities		21,551,189	(28,970)	21,522,219	17,459,869	(51,674)	17,408,195
Investment and interest income		577,866	39,321	617,187	480,484	38,669	519,153
<b>Total income</b>	4	23,241,518	56,843	23,298,361	20,349,484	8,098	20,357,582
<b><u>Expenditures</u></b>							
Charitable activities		5,171,938	–	5,171,938	4,526,542	–	4,526,542
Other expenditures		14,075,942	–	14,075,942	13,717,137	(2,436)	13,714,701
<b>Total expenditures</b>	4	19,247,880	–	19,247,880	18,243,679	(2,436)	18,241,243
<b>Surplus for the reporting year</b>		3,993,638	56,843	4,050,481	2,105,805	10,534	2,116,339
<b><u>Reconciliation of funds</u></b>							
Total at beginning of year		23,673,522	2,683,843	26,357,365	21,567,717	2,673,309	24,241,026
<b>Total funds at end of year</b>		<b>27,667,160</b>	<b>2,740,686</b>	<b>30,407,846</b>	<b>23,673,522</b>	<b>2,683,843</b>	<b>26,357,365</b>

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



# SOCIETY FOR THE AGED SICK

## Statement of Financial Position As at 31 March 2025

	<u>Notes</u>	<u>2025</u> \$	<u>2024</u> \$
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	5	8,167,097	8,650,970
Other financial assets	6	7,375,704	5,651,481
Right-of-use asset	7	4,901,915	5,111,255
<b>Total non-current assets</b>		<u>20,444,716</u>	<u>19,413,706</u>
<b><u>Current assets</u></b>			
Trade and other receivables	8	2,868,263	1,524,224
Other non-financial assets	9	171,501	135,906
Cash and cash equivalents	10	19,652,996	17,500,208
<b>Total current assets</b>		<u>22,692,760</u>	<u>19,160,338</u>
<b>Total assets</b>		<u>43,137,476</u>	<u>38,574,044</u>
<b>FUNDS AND LIABILITIES</b>			
<b><u>Unrestricted funds</u></b>			
Accumulated fund	12	27,667,160	23,673,522
<b>Total unrestricted funds</b>		<u>27,667,160</u>	<u>23,673,522</u>
<b><u>Restricted funds</u></b>			
Building reserve	11	2,628,954	2,544,760
Computerisation fund	11	11,062	39,871
Bob and Hazel Booker Memorial Fund	11	100,670	99,212
<b>Total restricted funds</b>		<u>2,740,686</u>	<u>2,683,843</u>
<b>Total funds</b>		<u>30,407,846</u>	<u>26,357,365</u>
<b><u>Current liabilities</u></b>			
Trade and other payables	13	3,448,064	3,344,523
Other liabilities	14	9,281,566	8,872,156
<b>Total current liabilities</b>		<u>12,729,630</u>	<u>12,216,679</u>
<b>Total funds and liabilities</b>		<u>43,137,476</u>	<u>38,574,044</u>

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

## SOCIETY FOR THE AGED SICK

### Statement of Cash Flows Reporting Year Ended 31 March 2025

	<u>2025</u> \$	<u>2024</u> \$
<b><u>Cash flows from operating activities</u></b>		
Surplus for the reporting year	4,050,481	2,116,339
Adjustments for:		
Interest income	(392,964)	(375,267)
Amortisation of deferred building grant	(149,769)	(149,769)
Amortisation of deferred capital grant	(247,828)	(185,364)
Amortisation of right-of-use asset	209,340	209,340
Depreciation of property, plant and equipment	597,618	558,580
Fair value gain on investment	(224,223)	(143,886)
<b>Operating surplus before changes in working capital</b>	<b>3,842,655</b>	<b>2,029,973</b>
Trade and other receivables	(1,318,785)	(379,954)
Other non-financial assets	(35,595)	41,542
Trade and other payables	103,541	(435,606)
Other liabilities	758,224	1,610,212
<b>Net cash flows from operating activities</b>	<b>3,350,040</b>	<b>2,866,167</b>
<b><u>Cash flows used in investing activities</u></b>		
Purchase of property, plant and equipment	(113,745)	(781,816)
Purchase of money market fund	(1,500,000)	(3,000,000)
Interest received	416,493	374,822
<b>Net cash flows used in investing activities</b>	<b>(1,197,252)</b>	<b>(3,406,994)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,152,788</b>	<b>(540,827)</b>
Cash and cash equivalents, beginning balance	17,500,208	18,041,035
<b>Cash and cash equivalents, ending balance (Note 10)</b>	<b>19,652,996</b>	<b>17,500,208</b>

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

## **SOCIETY FOR THE AGED SICK**

### **Notes to the Financial Statements 31 March 2025**

#### **1. General information**

Society for the Aged Sick (the "Society") was registered in Singapore on 14 February 1968 under the Societies Act 1966. The Society is also a charity registered under the Charities Act 1994 and an approved Institution of a Public Character under the Income Tax Act 1947. The financial statements are presented in Singapore dollar.

The financial statements of the Society for the reporting year ended 31 March 2025 are authorised for issuance by the Executive Committee on the date of the statement by the Executive Committee.

The principal activities of the Society consist of the provision of residential, medical and nursing care services for the aged sick particularly the less privileged.

The registered office is located at 130 Hougang Avenue 1, Singapore 538900. The Society is situated in Singapore.

#### **Statement of compliance with financial reporting standards**

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Committee under ACRA ("ASC"). They are also in compliance with the provisions of the Societies Act 1966 (the Societies Act), the Charities Act 1994 and other relevant regulation (the Charities Act and Regulations).

#### **Basis of preparation of the financial statements**

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

#### **2. Material accounting policy information and other explanatory information**

##### **2A. Material accounting policy information**

##### **Foreign currency transactions**

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At the end of each reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

## **SOCIETY FOR THE AGED SICK**

### **2. Material accounting policy information and other explanatory information**

#### **2A. Material accounting policy information**

##### **Fair value measurement**

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event, the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

##### **Income and revenue recognition**

General - Revenue / income is recognised when the reporting entity has entitlement to the income, it is probable that the economic benefits associated with the transaction or gift will flow to the reporting entity and the amount can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Donations, corporate cash sponsorship and grants - Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. Recognition of donations and grant income subject to conditions is deferred until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the reporting entity and there is unconditional entitlement to the receipts.

Services – Revenue from service orders and term projects is recognised when the Society satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not material transactions revenue is recognised as the services are provided.

## **SOCIETY FOR THE AGED SICK**

### **2. Material accounting policy information and other explanatory information**

#### **2A. Material accounting policy information**

##### **Income and revenue recognition**

Government grants - Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Income from fund-raising projects - Revenue from special fund-raising events is recognised when the event takes place.

Interest income - Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

Donations in kind - Donations in kind are included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

##### **Expenditures**

Expenditure is recognised when it is incurred and is reported gross of related income. Charitable expenditure comprises direct expenditure, including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

##### **Employee benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government-managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is a constructive obligation based on past practice.

##### **Income tax**

As a charity, the Society is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act 1947 to the extent that these are applied to its charitable objects. No tax charges have arisen for the Society during the reporting year.

## **SOCIETY FOR THE AGED SICK**

### **2. Material accounting policy information and other explanatory information**

#### **2A. Material accounting policy information**

##### **Property, plant and equipment**

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

The useful lives are as follows:

Leasehold building	–	30 years
Furniture and equipment	–	5 to 10 years
Motor vehicles	–	5 years
Construction in progress	–	Not depreciated

##### **Right-of-use assets**

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment.

##### **Carrying amounts of non-financial assets**

The amounts of the non-current non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

##### **Financial instruments**

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

## **SOCIETY FOR THE AGED SICK**

### **2. Material accounting policy information and other explanatory information**

#### **2A. Material accounting policy information**

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires the certain classification of financial assets and financial liabilities. At the end of the reporting year, the reporting entity had the following classes:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are in this class.
- Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Financial liabilities are categorised as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### **Cash and cash equivalents**

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

#### **Other specific material accounting policy information and other explanatory information**

These are included in the relevant notes to the financial statements.

#### **2B. Judgements and sources of estimation uncertainties**

There were no judgements made in the process of applying the accounting policies that have the most material effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

## SOCIETY FOR THE AGED SICK

### 3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

#### 3A. Members of a group

A related party includes the members of the Executive Committee and key management of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

All Executive Committee members, members of sub-committees and procurement staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holdings that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Executive Committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

#### 3B. Key management compensation

	<u>2025</u>	<u>2024</u>
	\$	\$
Salaries and other short-term employee benefits	<u>818,224</u>	<u>876,522</u>

The above amounts are included under employee benefits expense.

Disclosure of remuneration of three highest paid staff:

	<u>2025</u>	<u>2024</u>
Number of key management in compensation bands:		
Between \$100,000 to \$200,000	3	2
Between \$201,000 to \$300,000	<u>–</u>	<u>1</u>

Key management personnel are the chief operating officer and the direct reporting senior officers who have authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly. There were no transactions with a company in which the above key management personnel have an interest in.

There are no paid staff who are close members of the family of the Society, and whose remuneration each exceeds \$50,000 during the year.



# SOCIETY FOR THE AGED SICK

## 4. Analysis of income and expenditures

	Notes	Unrestricted		Restricted				Total
		Accumulated Fund	\$	Building Reserve Fund	Computerisation Fund	Hazel Booker Memorial Fund	Bob and Hazel Booker Memorial Fund	
2025:								\$
<b>Income:</b>								
<b>Voluntary income</b>								
Tax-exempt receipts issued for donations collected	4A	792,304		44,732	-	-	-	837,036
Donations in cash		118,308		1,760	-	-	-	120,068
Donations in kind		201,581		-	-	-	-	201,581
Other		270		-	-	-	-	270
<b>Sub-total</b>		<b>1,112,463</b>		<b>46,492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,158,955</b>
<b>Income from charitable activities</b>								
Income from residents		4,468,919		-	-	-	-	4,468,919
Government subvention grants		14,646,890		-	-	-	-	14,646,890
Other government funding and grants	4B	2,008,813		-	-	-	-	2,008,813
Amortisation of computerisation fund		28,970		-	(28,970)	-	-	-
Amortisation deferred building grant	14B	149,769		-	-	-	-	149,769
Amortisation of deferred capital grant	14C	247,828		-	-	-	-	247,828
<b>Sub-total</b>		<b>21,551,189</b>		<b>-</b>	<b>(28,970)</b>	<b>-</b>	<b>(28,970)</b>	<b>21,522,219</b>
<b>Interest income</b>								
Fair value gain on investments	6A	353,643		37,704	160	1,457	39,321	392,964
<b>Sub-total</b>		<b>224,223</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>224,223</b>
<b>Total income</b>		<b>577,866</b>		<b>37,704</b>	<b>160</b>	<b>1,457</b>	<b>39,321</b>	<b>617,187</b>
		<b>23,241,518</b>		<b>84,196</b>	<b>(28,810)</b>	<b>1,457</b>	<b>56,843</b>	<b>23,298,361</b>

# SOCIETY FOR THE AGED SICK

## 4. Analysis of income and expenditures

	Notes	Unrestricted	Restricted				Total
		Accumulated Fund	Building Reserve Fund	Computeri- sation Fund	Bob and Hazel Booker Memorial Fund		
					Fund	Sub-total	
2025:		\$		\$	\$	\$	\$
Expenditures:							
Charitable activities							
Resident nursing care costs		1,848,590	-	-	-	-	1,848,590
Resident nursing care costs		6,066	-	-	-	-	6,066
Resident rehabilitation costs			-	-	-	-	
Resident activities, volunteer and donor expenses		45,128					45,128
Facilities management, maintenance and other ancillary costs							
Maintenance and upkeep of premises		620,553	-	-	-	-	620,553
Utilities		696,456	-	-	-	-	696,456
Professional fees		189,750	-	-	-	-	189,750
Food and other kitchen supplies		1,667,434	-	-	-	-	1,667,434
Others		97,961	-	-	-	-	97,961
Sub-total		5,171,938	-	-	-	-	5,171,938
Administrative expenses	4C	2,198,725	-	-	-	-	2,198,725
Employee benefits expense							
Short term employee benefits expense		8,752,105	-	-	-	-	8,752,105
Contributions to defined contribution plans		581,468	-	-	-	-	581,468
Other benefits		2,543,644	-	-	-	-	2,543,644
Sub-total		14,075,942	-	-	-	-	14,075,942
Total expenditure		19,247,880	-	-	-	-	19,247,880

## SOCIETY FOR THE AGED SICK

### 4. Analysis of income and expenditures

	Notes	Unrestricted	Restricted				Total
			Building Reserve Fund	Computerisation Fund	Bob and Hazel Booker Memorial Fund	Sub-total	
2024:		Accumulated Fund	\$	\$	\$	\$	\$
<b>Income:</b>							
<b>Voluntary income</b>							
Tax-exempt receipts issued for donations collected	4A	1,569,655	20,783	-	-	20,783	1,590,438
Donations in cash		675,396	320	-	-	320	675,716
Donations in kind		163,970	-	-	-	-	163,970
Other		110	-	-	-	-	110
<b>Sub-total</b>		<b>2,409,131</b>	<b>21,103</b>	<b>-</b>	<b>-</b>	<b>21,103</b>	<b>2,430,234</b>
<b>Income from charitable activities</b>							
Income from residents		3,829,112	-	-	-	-	3,829,112
Government subvention grants		10,134,377	-	-	-	-	10,134,377
Other government funding and grants	4B	3,109,573	-	-	-	-	3,109,573
Amortisation of computerisation fund		51,674	-	(51,674)	-	(51,674)	-
Amortisation deferred building grant	14B	149,769	-	-	-	-	149,769
Amortisation of deferred capital grant	14C	185,364	-	-	-	-	185,364
<b>Sub-total</b>		<b>17,459,869</b>	<b>-</b>	<b>(51,674)</b>	<b>-</b>	<b>(51,674)</b>	<b>17,408,195</b>
<b>Interest income</b>							
Fair value gain on investments	6A	336,598	37,078	159	1,432	38,669	375,267
<b>Sub-total</b>		<b>143,886</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,886</b>
<b>Total income</b>		<b>20,349,484</b>	<b>58,181</b>	<b>(51,515)</b>	<b>1,432</b>	<b>8,098</b>	<b>20,357,582</b>

# SOCIETY FOR THE AGED SICK

## 4. Analysis of income and expenditures

	Notes	Unrestricted	Restricted				Total
			Accumulated Fund \$	Building Reserve Fund \$	Computeri-sation Fund \$	Bob and Hazel Booker Memorial Fund \$	
<b>2024:</b>							
<b>Expenditures:</b>							
<b>Charitable activities</b>							
Resident nursing care costs		1,403,855					1,403,855
Resident nursing care costs		9,630					9,630
Resident rehabilitation costs							
Resident activities, volunteer and donor expenses		127,423					127,423
<b>Facilities management, maintenance and other ancillary costs</b>							
Maintenance and upkeep of premises		526,944					526,944
Utilities		704,923					704,923
Professional fees		147,647					147,647
Food and other kitchen supplies		1,500,937					1,500,937
Others		105,183					105,183
<b>Sub-total</b>		<b>4,526,542</b>					<b>4,526,542</b>
<b>Administrative expenses</b>	4C	<b>2,087,254</b>					<b>2,087,254</b>
<b>Employee benefits expense</b>							
Short term employee benefits expense		8,548,824				(2,436)	8,546,388
Contributions to defined contribution plans		538,759					538,759
Other benefits		2,542,300					2,542,300
<b>Sub-total</b>		<b>13,717,137</b>				(2,436)	<b>13,714,701</b>
<b>Total expenditure</b>		<b>18,243,679</b>				(2,436)	<b>18,241,243</b>

## SOCIETY FOR THE AGED SICK

### 4. Analysis of income and expenditures (cont'd)

#### 4A. Tax-deductible receipts

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the accumulated funds of the Society. The Society's Institutions of a Public Character ("IPC") status for general donations is for the period from 1 September 2021 to 31 August 2024 and renewed from 1 September 2024 to 31 August 2027.

#### 4B. Other government funding and grants

	<u>2025</u>	<u>2024</u>
	\$	\$
CCSE salary adjustment funding	1,145,724	2,582,688
Community Silver Trust	653,266	358,230
Progressive wage credit scheme	126,168	—
President's Challenge Fund	—	20,439
Wellness Support Package (Note 14E)	649	—
Others	83,006	148,216
	<u>2,008,813</u>	<u>3,109,573</u>

#### 4C. Administrative expenses

The material component and other selected components includes the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Audit fees to the independent auditor of the Society	22,000	21,000
Other assurance services fees to the independent auditor of the Society	6,500	6,500
Non-assurance service fee to the independent auditor of the Society	1,000	1,000
Depreciation of property, plant and equipment (Note 5)	597,618	558,580
(Reversal) / allowance on impairment of trade receivables (Note 8)	(29,912)	71,710
Bad debts written off	18,298	10,437
Amortisation of right-of-use asset (Note 7)	209,340	209,340
Subscriptions	125,431	159,643
Outsourced services	<u>482,751</u>	<u>348,811</u>

## SOCIETY FOR THE AGED SICK

### 5. Property, plant and equipment

	<u>Leasehold building</u>	<u>Furniture and equipment</u>	<u>Motor vehicles</u>	<u>Construction in progress</u>	<u>Total</u>
	\$	\$	\$	\$	\$
<b>Cost:</b>					
At 1 April 2023	23,929,441	2,778,524	48,230	1,076,516	27,832,711
Additions	–	763,962	–	17,854	781,816
Reclassification	1,094,370	–	–	(1,094,370)	–
Written-off	–	(642,522)	–	–	(642,522)
At 31 March 2024	25,023,811	2,899,964	48,230	–	27,972,005
Additions	–	113,745	–	–	113,745
Written-off	–	(8,250)	–	–	(8,250)
At 31 March 2025	25,023,811	3,005,459	48,230	–	28,077,500
<b>Accumulated depreciation:</b>					
At 1 April 2023	17,419,466	1,937,281	48,230	–	19,404,977
Depreciation for the year	274,345	284,235	–	–	558,580
Written-off	–	(642,522)	–	–	(642,522)
At 31 March 2024	17,693,811	1,578,994	48,230	–	19,321,035
Depreciation for the year	300,052	297,566	–	–	597,618
Written-off	–	(8,250)	–	–	(8,250)
At 31 March 2025	17,993,863	1,868,310	48,230	–	19,910,403
<b>Carrying value:</b>					
At 1 April 2023	6,509,975	841,243	–	1,076,516	8,427,734
At 31 March 2024	7,330,000	1,320,970	–	–	8,650,970
At 31 March 2025	7,029,948	1,137,149	–	–	8,167,097

The leasehold building is held in trust by a trustee of the Society.

### 6. Other financial assets

	<u>2025</u>	<u>2024</u>
	\$	\$
Investments at fair value through profit or loss ("FVTPL") (Note 6A)	<u>7,375,704</u>	<u>5,651,481</u>

#### 6A. Disclosures relating to investments in debt assets instruments at FVTPL

<u>Name</u>	<u>Level</u>	<u>2025</u>	<u>2024</u>
		\$	\$
Unquoted money market fund	2	<u>7,375,704</u>	<u>5,651,481</u>

The unquoted funds are exposed to the market price risk arising from uncertainties about future values of the investment securities (Level 2).

## SOCIETY FOR THE AGED SICK

### 6. Other financial assets

#### 6A. Disclosures relating to investments in debt assets instruments at FVTPL

	<u>2025</u>	<u>2024</u>
	\$	\$
Movements during the year:		
Fair value at beginning of the year	5,651,481	2,507,595
Additions	1,500,000	3,000,000
Increase in fair value through profit or loss	224,223	143,886
Fair value at end of the year	<u>7,375,704</u>	<u>5,651,481</u>

Sensitivity analysis for price risk of unquoted funds at FVTPL

	<u>2025</u>	<u>2024</u>
	\$	\$
A hypothetical 10% increase in the market index that relate to funds would have a favourable effect on fair value of	<u>737,570</u>	<u>565,148</u>

For similar price decreases in the fair value of the above financial assets, there would be comparable impact in the opposite direction. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

### 7. Right-of-use asset

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Land use right at cost:</u>		
At the beginning and end of the year	<u>6,280,070</u>	<u>6,280,070</u>
<u>Accumulated amortisation:</u>		
At the beginning of the year	1,168,815	959,475
Amortisation for the year (Note 4C)	209,340	209,340
At the end of the year	<u>1,378,155</u>	<u>1,168,815</u>
<u>Carrying value:</u>		
Balance at the end of the year	<u>4,901,915</u>	<u>5,111,255</u>

An upfront payment was for the right-of-use of a 30-year leasehold property for the period of 30 years effective from 1 September 2018 to 31 August 2048. It is not transferable. During the term of the lease no other payments are required in respect of the leasehold interest. The property at 130 Hougang Avenue 1, Singapore 538900 is owned by the Singapore Land Authority.

## SOCIETY FOR THE AGED SICK

### 8. Trade and other receivables

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Trade receivables:</u>		
Outside parties	584,736	705,313
Less allowance for impairment	(186,597)	(216,509)
Government grant and subsidies receivables	2,331,912	923,784
Net trade receivables – subtotal	<u>2,730,051</u>	<u>1,412,588</u>
<u>Other receivables:</u>		
Outside parties	5,879	4,557
Interest receivable	132,333	107,079
Other receivables – subtotal	<u>138,212</u>	<u>111,636</u>
Total trade and other receivables	<u>2,868,263</u>	<u>1,524,224</u>
 Movements in above allowance on trade receivables:		
Balance at the beginning of the year	216,509	144,799
(Reversed) / charged to profit or loss (Note 4C)	<u>(29,912)</u>	<u>71,710</u>
Balance at the end of the year	<u>186,597</u>	<u>216,509</u>

These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. In consideration the means testing, the government's financial assistance scheme and deposits received from the residents, a loss allowance of \$186,597 (2024: \$216,509) is recognised.

The ageing of trade receivables from outside parties:

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Trade receivables:</u>		
Within due date	178,119	186,963
1 to 30 days past due	150,276	144,749
31 to 60 days past due	–	63,224
61 to 90 days past due	25,760	40,696
Over 90 days past due	230,581	269,681
Total	<u>584,736</u>	<u>705,313</u>

There is no concentration of credit risk with respect to trade receivables, as there are a large number of receivables from residents.

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period, a loss allowance is recognised at an amount equal to 12 months expected credit losses because there has not been a significant increase in credit risk since initial recognition. As at the end of the reporting year, no loss allowance is necessary.

### 9. Other non-financial assets

	<u>2025</u>	<u>2024</u>
	\$	\$
Prepayments	25,858	21,959
Deposits to secure services	143,192	112,674
Others	<u>2,451</u>	<u>1,273</u>
	<u>171,501</u>	<u>135,906</u>



## SOCIETY FOR THE AGED SICK

### 10. Cash and cash equivalents

	<u>2025</u> \$	<u>2024</u> \$
Available for use by the society	<u>19,652,996</u>	<u>17,500,208</u>
Interest earning balances	<u>7,851,524</u>	<u>13,945,060</u>

The rate of interest for the cash on interest-earning balances is between 2.5% to 3.5% (2024: 2.80% to 4.15%) per annum.

### 11. Funds of the Society

Restricted funds:

- (a) Building reserve is a restricted fund, which purpose is for the renovation, maintenance and payment of repair services of the leasehold building.
- (b) Computerisation fund is used for the Society's IT system upgrades.
- (c) Bob and Hazel Booker Memorial Fund is used for giving out scholarships and training for the Society's staff.

Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal, but still within the wider objects of the charity.

Transfers between the funds are made when it is considered appropriate and authorised by the Executive Committee members.

The Executive Committee members have a power of discretion to convert endowed capital into expendable income in which case the converted funds may become restricted or unrestricted funds.

### 12. Reserves policy

	<u>2025</u> \$	<u>2024</u> \$
Unrestricted funds	<u>27,667,160</u>	<u>23,673,522</u>
Annual operating expenditure*	<u>19,247,880</u>	<u>18,243,679</u>
The ratio of reserves to annual operating expenditure (times)	<u>1.44</u>	<u>1.30</u>

\* Annual operating expenditure represents total resources expended for unrestricted funds.

The Society has a reserve policy (reserve management) for the long-term stability of the operations and it ensures that there are sufficient resources to support the reporting entity in the event of unforeseen circumstances. The reserve level is reviewed yearly by the Executive Committee members to ensure that the reserves are adequate to fulfil the reporting entity's continuing obligations. Reserves are that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes.

The Society is not subject to externally imposed fund requirements other than those specified as restricted.

## SOCIETY FOR THE AGED SICK

### 13. Trade and other payables

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Trade payables:</u>		
Outside parties	651,110	721,809
<u>Other payables:</u>		
Outside parties and accrued liabilities	1,530,754	1,328,186
Residents' funds held on behalf	169,608	127,848
Residents' maintenance deposits	57,282	39,801
Non-refundable payments received in advance	408,485	514,873
Deferred income	630,825	612,006
Total other payables	<u>2,796,954</u>	<u>2,622,714</u>
Total trade and other payables	<u>3,448,064</u>	<u>3,344,523</u>

The deferred income is expected to be recognised as revenue within a year.

### 14. Other liabilities

	<u>2025</u>	<u>2024</u>
	\$	\$
Community Silver Trust – deferred income (Note 14A)	2,331,444	1,713,081
Deferred building grant (Note 14B)	3,507,091	3,656,860
Deferred capital grant (Note 14C)	2,189,444	2,255,204
President's Challenge Fund (Note 14D)	190,631	140,631
Wellness Support Package (Note 14E)	40,494	41,143
NH Staff accommodation (Note 14F)	550,761	550,761
Monies held on behalf of Medifund Account	438,804	487,518
Monies held on behalf of Financial Assistance Scheme	32,897	26,958
	<u>9,281,566</u>	<u>8,872,156</u>

### 14A. Community Silver Trust – deferred income

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at the beginning of the year	1,713,081	953,273
Received during the year	1,222,717	1,716,460
Interest income recognised during the year	48,783	–
Utilisation	(653,137)	(657,341)
Refund of unutilised grant	–	(299,311)
Balance at the end of the year	<u>2,331,444</u>	<u>1,713,081</u>

Community Silver Trust (CST) funding is a dollar-to-dollar matching for eligible donations by the Government of Singapore, which shall be used for specified purposes that include enhancement and expansion of services and building capability of the voluntary welfare organisation. The CST funding received by the Society has been earmarked for the facilities improvement work and purchase of electrical hospital beds. The balance as at the end of the reporting year represents CST funding received but not utilised.

## SOCIETY FOR THE AGED SICK

### 14. Other liabilities

#### 14B. Deferred building grant

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>At cost:</u>		
Balance at the beginning and end of the year	17,755,298	17,755,298
<u>Accumulated amortisation:</u>		
Balance at the beginning of the year	14,098,438	13,948,669
Amortisation for the year (Note 4)	149,769	149,769
Balance at the end of the year	14,248,207	14,098,438
<u>Carrying value:</u>		
Balance at the beginning of the year	3,656,860	3,806,629
Balance at the end of the year	3,507,091	3,656,860

These are capital grants received from a government agency and public for the building and extension building of the Society.

#### 14C. Deferred capital grant

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>At cost:</u>		
Balance at the beginning of the year	3,024,587	2,271,864
Purchase of plant and equipment - utilisation of deferred income	—	315,803
Purchase of plant and equipment - grants received	182,068	436,920
Balance at the end of the year	3,206,655	3,024,587
<u>Accumulated amortisation:</u>		
Balance at the beginning of the year	769,383	584,019
Amortisation for the year (Note 4)	247,828	185,364
Balance at the end of the year	1,017,211	769,383
<u>Carrying value:</u>		
Balance at the beginning of the year	2,255,204	1,687,845
Balance at the end of the year	2,189,444	2,255,204

Deferred capital grant is for the purchase of plant and equipment.

#### 14D. President's Challenge Fund

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at the beginning of the year	140,631	177,892
Received during the year	50,000	—
Utilisation	—	(37,261)
Balance at the end of the year	190,631	140,631

President's Challenge Fund received is for hiring of Resident Care Assistant to improve the psycho-social well-being of the resident and purchase of equipment.

## SOCIETY FOR THE AGED SICK

### 14. Other liabilities

#### 14E. Wellness Support Package

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at the beginning of the year	41,143	41,143
Utilisation	<u>(649)</u>	<u>—</u>
Balance at the end of the year	<u>40,494</u>	<u>41,143</u>

Wellness Support Package funding received from the Agency Integrated Care ("AIC") is for improving activity satisfaction levels in nursing homes and enable homes to embed a structured activity approach so that more activities can take place.

#### 14F. NH Staff accommodation

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at the beginning and the end of the year	<u>550,761</u>	<u>550,761</u>

NH Staff accommodation funding received from the Agency Integrated Care ("AIC") is to support the Society's staff accommodation and improvement to the existing living condition.

### 15. Financial instruments: information on financial risks and other explanatory information

#### 15A. Categories of financial assets and financial liabilities

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year:

	<u>2025</u>	<u>2024</u>
	\$	\$
Financial assets:		
Financial assets at amortised cost	22,521,259	19,024,432
At fair value through profit or loss ("FVTPL")	<u>7,375,704</u>	<u>5,651,481</u>
At the end of the year	<u>29,896,963</u>	<u>24,675,913</u>
Financial liabilities:		
Financial liabilities at amortised cost	<u>2,408,754</u>	<u>2,217,644</u>

Further quantitative disclosures are included throughout these financial statements.

#### 15B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks.

## **SOCIETY FOR THE AGED SICK**

### **15. Financial instruments: information on financial risks and other explanatory information**

#### **15B. Financial risk management**

There are written policies and procedures for effectively supervising, monitoring and evaluating the investment assets. The Executive Committee members hold all the funds as a fiduciary and have delegated authority over its investment affairs to the investment finance committee (the committee) of the Executive Committee. The committee advises the Executive Committee on the implications of changes to its investment policy, helps it operate within the policies and procedures, and advises on relevant matters. The committee is further authorised to delegate certain responsibilities to professional experts. These include independent investment managers and independent custodian. The independent investment managers have discretion to purchase, sell, or hold the specific financial instruments to meet the policy's investment objectives and to make use of derivatives. The independent custodian is responsible for the custody of the financial instruments, collection of the returns, redeem maturing securities, and effect receipt and delivery following purchases and sales.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

#### **15C. Fair values of financial instruments**

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

#### **15D. Credit risk on financial assets**

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses ("ECL") allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process. Note 10 discloses the cash balances. There was no identified impairment loss.

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### **15. Financial instruments: information on financial risks and other explanatory information**

#### **15E. Liquidity risk – financial liabilities maturity analysis**

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity within twelve months after the end of the reporting year. The average credit period taken to settle trade payables is about 30 days (2024: 30 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

#### **15F. Interest rate risk**

The Society is not exposed to material interest rate risk.

#### **15G. Foreign currency risk**

The Society is not exposed to material foreign currency risk.

### **16. Columnar presentation of statement of financial position**

A majority of the assets and liabilities are attributable to the Accumulated Fund. All the assets of the other funds are represented by cash. Accordingly, the Society did not adopt a columnar presentation of its assets, liabilities and funds in the Statement of Financial Position as it was not meaningful.

### **17. Changes and adoption of financial reporting standards**

For the current reporting year the ASC issued certain new or revised financial reporting standards. None had a material impact on the Society. Those applicable to the Society are listed below.

<u>FRS No.</u>	<u>Title</u>
FRS 1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current
FRS PS 2	FRS Practice Statement 2 Making Materiality Judgements

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### 18. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the society's financial statements in the period of initial application. Those applicable to the Society for future reporting years are listed below.

<u>FRS No.</u>	<u>Title</u>	Effective date for periods beginning on or <u>after</u>
FRS 109 and 107	Classification and Measurement of Financial Instruments	1 Jan 2026
FRS 118	Presentation and disclosures in financial statements	1 Jan 2027