

AT THE HEART OF IT ALL, IT'S

T H E T I E S T H A T B I N D

FY25/26 FINANCIAL STATEMENTS



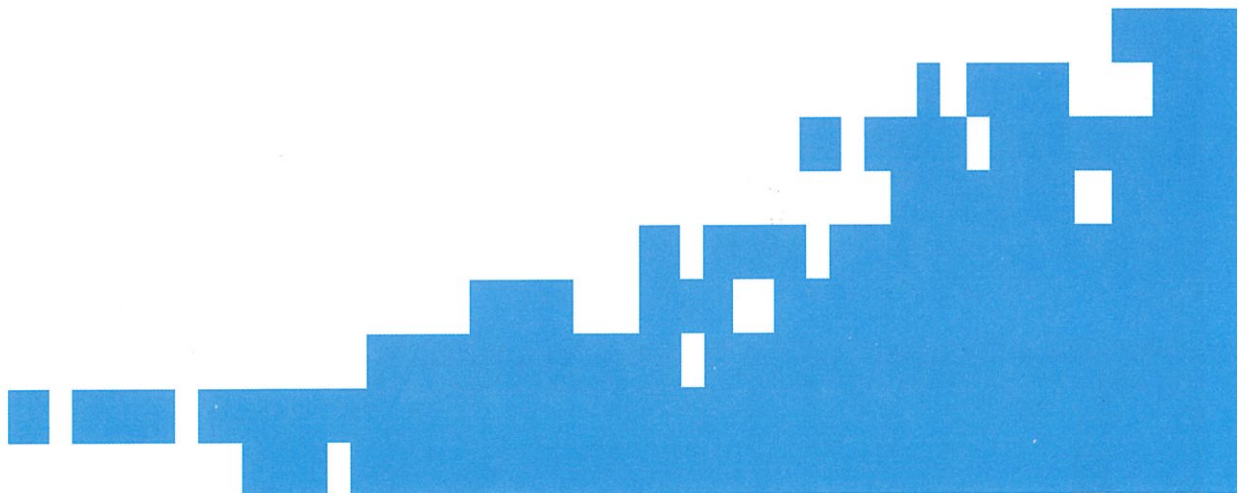
SOCIETY FOR THE AGED SICK

(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 2026



SOCIETY FOR THE AGED SICK

Statement by the Executive Committee and Financial Statements

Contents	Page
Statement by Executive Committee.....	1
Independent Auditor's Report	2
Statement of Financial Activities	6
Statement of Financial Position.....	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

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 2026.

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

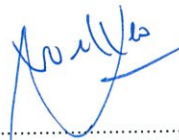
RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the Executive Committee



.....
Mr Chew Loy Cheow
President

26 AUG 2026



.....
Dr Noel Yeo Sheng Ming
Hon. Treasurer

**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 2026, 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 2026 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 Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the 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

– 2 –

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**

– 3 –

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, actions taken to eliminate threats or safeguards applied.

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**

–4 –

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 2026

Engagement partner – effective from year ended 31 March 2025

SOCIETY FOR THE AGED SICK

Statement of Financial Activities Reporting Year Ended 31 March 2026

		<u>2026</u>			<u>2025</u>		
	<u>Notes</u>	<u>Unrestricted general and designated funds</u> \$	<u>Restricted funds</u> \$	<u>Total</u> \$	<u>Unrestricted general funds</u> \$	<u>Restricted funds</u> \$	<u>Total</u> \$
<u>Income</u>							
Voluntary income		1,492,167	710,201	2,202,368	1,112,463	46,492	1,158,955
Income from charitable activities		23,172,934	–	23,172,934	21,551,189	(28,970)	21,522,219
Investment and interest income		383,509	16,453	399,962	577,866	39,321	617,187
Total income	4	<u>25,048,610</u>	<u>726,654</u>	<u>25,775,264</u>	<u>23,241,518</u>	<u>56,843</u>	<u>23,298,361</u>
<u>Expenditures</u>							
Charitable activities		(5,293,561)	–	(5,293,561)	(5,171,938)	–	(5,171,938)
Other expenditures		(15,686,334)	–	(15,686,334)	(14,075,942)	–	(14,075,942)
Total expenditures	4	<u>(20,979,895)</u>	<u>–</u>	<u>(20,979,895)</u>	<u>(19,247,880)</u>	<u>–</u>	<u>(19,247,880)</u>
Surplus for the reporting year		<u>4,068,715</u>	<u>726,654</u>	<u>4,795,369</u>	<u>3,993,638</u>	<u>56,843</u>	<u>4,050,481</u>
<u>Reconciliation of funds</u>							
Total at beginning of year		27,667,160	2,740,686	30,407,846	23,673,522	2,683,843	26,357,365
Total funds at end of year		<u><u>31,735,875</u></u>	<u><u>3,467,340</u></u>	<u><u>35,203,215</u></u>	<u><u>27,667,160</u></u>	<u><u>2,740,686</u></u>	<u><u>30,407,846</u></u>

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

SOCIETY FOR THE AGED SICK

Statement of Financial Position As at 31 March 2026

	<u>Notes</u>	<u>2026</u> \$	<u>2025</u> \$
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	5	8,000,653	8,167,097
Other financial assets	6	11,848,501	7,375,704
Right-of-use asset	7	4,692,575	4,901,915
Total non-current assets		24,541,729	20,444,716
<u>Current assets</u>			
Trade and other receivables	8	3,085,082	2,868,263
Other non-financial assets	9	159,711	171,501
Cash and cash equivalents	10	21,161,696	19,652,996
Total current assets		24,406,489	22,692,760
Total assets		48,948,218	43,137,476
FUNDS AND LIABILITIES			
<u>Unrestricted funds</u>			
Accumulated fund		31,335,875	27,667,160
Capital expenditure fund - designated	11	400,000	—
Total unrestricted funds		31,735,875	27,667,160
<u>Restricted funds</u>			
Building reserve	11	3,355,014	2,628,954
Computerisation fund	11	11,121	11,062
Bob and Hazel Booker Memorial Fund	11	101,205	100,670
Total restricted funds		3,467,340	2,740,686
Total funds		35,203,215	30,407,846
<u>Current liabilities</u>			
Trade and other payables	13	3,962,883	3,448,064
Other liabilities	14	9,782,120	9,281,566
Total current liabilities		13,745,003	12,729,630
Total funds and liabilities		48,948,218	43,137,476

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 2026

	<u>2026</u> \$	<u>2025</u> \$
<u>Cash flows from operating activities</u>		
Surplus for the reporting year	4,795,369	4,050,481
Adjustments for:		
Interest income	(193,415)	(392,964)
Amortisation of deferred building grant	(149,769)	(149,769)
Amortisation of deferred capital grant	(240,507)	(247,828)
Amortisation of right-of-use asset	209,340	209,340
Depreciation of property, plant and equipment	584,055	597,618
Fair value gain on investment	(206,547)	(224,223)
Property, plant and equipment written off	91	–
Operating surplus before changes in working capital	<u>4,798,617</u>	<u>3,842,655</u>
Trade and other receivables	(266,855)	(1,318,785)
Other non-financial assets	11,790	(35,595)
Trade and other payables	514,819	103,541
Other liabilities	862,622	758,224
Net cash flows from operating activities	<u>5,920,993</u>	<u>3,350,040</u>
<u>Cash flows used in investing activities</u>		
Purchase of property, plant and equipment	(417,702)	(113,745)
Purchase of money market fund	(3,500,000)	(1,500,000)
Purchase of quoted bonds	(766,250)	–
Interest received	271,659	416,493
Net cash flows used in investing activities	<u>(4,412,293)</u>	<u>(1,197,252)</u>
Net increase in cash and cash equivalents	1,508,700	2,152,788
Cash and cash equivalents, beginning balance	19,652,996	17,500,208
Cash and cash equivalents, ending balance (Note 10)	<u>21,161,696</u>	<u>19,652,996</u>

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

SOCIETY FOR THE AGED SICK

Notes to the Financial Statements 31 March 2026

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 2026 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 ("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

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.

SOCIETY FOR THE AGED SICK

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

Income and revenue recognition

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.

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.

SOCIETY FOR THE AGED SICK

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

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.

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 and assessment of impairment loss allowance on 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.

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 (three months or less), 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.

SOCIETY FOR THE AGED SICK

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

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.

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.

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.

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 and if applicable at the fair value measurement dates. At the end of each reporting year, non-functional monetary items are translated using rates ruling at the end of the reporting year; non-monetary items are translated using the exchange rate at the date of the transactions; and non-monetary items that are measured at fair value are translated using the exchange rates at the date when the fair value was measured. 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.

Other specific material accounting policy information and other explanatory information

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

SOCIETY FOR THE AGED SICK

2. Material accounting policy information and other explanatory information

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.

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>2026</u>	<u>2025</u>
	\$	\$
Salaries and other short-term employee benefits	<u>870,963</u>	<u>818,224</u>

The above amounts are included under employee benefits expense.

SOCIETY FOR THE AGED SICK

3. Related party relationships and transactions

3B. Key management compensation

Disclosure of remuneration of three highest paid staff:

	<u>2026</u>	<u>2025</u>
Number of key management in compensation bands:		
Between \$100,000 to \$200,000	<u>3</u>	<u>3</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

		Unrestricted		Restricted				
	Notes	Accumulated Fund \$	Building Reserve Fund \$	Computerisation Fund \$	Hazel Booker Memorial Fund \$	Sub-total \$	Total \$	
2026:								
Income:								
Voluntary income								
Tax-exempt receipts issued for donations collected								
	4A	1,343,632	282,965	—	—	282,965	1,626,597	
		8,143	427,236	—	—	427,236	435,379	
		139,982	—	—	—	—	139,982	
	Other	410	—	—	—	—	410	
	Sub-total	1,492,167	710,201	—	—	710,201	2,202,368	
Income from charitable activities								
Income from residents								
		4,674,835	—	—	—	—	4,674,835	
	Government subvention grants	16,854,977	—	—	—	—	16,854,977	
	Other government funding and grants	1,252,846	—	—	—	—	1,252,846	
	Amortisation deferred building grant	149,769	—	—	—	—	149,769	
	Amortisation of deferred capital grant	240,507	—	—	—	—	240,507	
	Sub-total	23,172,934	—	—	—	—	23,172,934	
Interest income								
	Fair value gain on investments	176,962	15,859	59	535	16,453	193,415	
		206,547	—	—	—	—	206,547	
	Sub-total	383,509	15,859	59	535	16,453	399,962	
	Total income	25,048,610	726,060	59	535	726,654	25,775,264	

SOCIETY FOR THE AGED SICK

4. Analysis of income and expenditures

	Notes	Unrestricted	Restricted				Total
			Accumulated Fund \$	Building Reserve Fund \$	Computer- sation Fund \$	Hazel Booker Memorial Fund \$	
2026:							
Expenditures:							
Charitable activities							
Resident nursing care costs		1,885,355					1,885,355
Resident nursing care costs		18,830					18,830
Resident rehabilitation costs							
Resident activities, volunteer and donor expenses		103,126					103,126
Facilities management, maintenance and other ancillary costs							
Maintenance and upkeep of premises		774,937					774,937
Utilities		542,114					542,114
Professional fees		193,011					193,011
Food and other kitchen supplies		1,678,286					1,678,286
Others		97,902					97,902
Sub-total		5,293,561					5,293,561
Administrative expenses	4C						
Employee benefits expense		2,222,141					2,222,141
Short term employee benefits expense		10,195,769					10,195,769
Contributions to defined contribution plans		679,263					679,263
Other benefits		2,589,161					2,589,161
Sub-total		15,686,334					15,686,334
Total expenditure		20,979,895					20,979,895

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 \$	Sub-total \$	
2025:							
Income:							
Voluntary income							
Tax-exempt receipts issued for donations collected	4A	792,304	44,732	—	—	44,732	837,036
Donations in cash		118,308	1,760	—	—	1,760	120,068
Donations in kind		201,581	—	—	—	—	201,581
Other		270	—	—	—	—	270
Sub-total		1,112,463	46,492	—	—	46,492	1,158,955
Income from charitable activities							
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)	—	(28,970)	—
Amortisation deferred building grant	14B	149,769	—	—	—	—	149,769
Amortisation of deferred capital grant	14C	247,828	—	—	—	—	247,828
Sub-total		21,551,189	—	(28,970)	—	(28,970)	21,522,219
Interest income		353,643	37,704	160	1,457	39,321	392,964
Fair value gain on investments	6A	224,223	—	—	—	—	224,223
Sub-total		577,866	37,704	160	1,457	39,321	617,187
Total income		23,241,518	84,196	(28,810)	1,457	56,843	23,298,361

SOCIETY FOR THE AGED SICK

4. Analysis of income and expenditures

		Unrestricted		Restricted				
	Notes	Accumulated Fund \$	Building Reserve Fund \$	Computer- sation Fund \$	Hazel Booker Memorial Fund \$	Bob and		
	</							

SOCIETY FOR THE AGED SICK

4. Analysis of income and expenditures

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 2024 to 31 August 2027.

4B. Other government funding and grants

	<u>2026</u>	<u>2025</u>
	\$	\$
CCSE salary adjustment funding	—	1,145,724
Community Silver Trust	606,140	653,266
Progressive wage credit scheme	32,750	126,168
President's Challenge Fund (Note 14D)	20	—
Senior Employment Credit	13,684	—
Deferred capital grant (Note 14C)	131,300	—
Interim long-term care subsidies (Note 14G)	317,890	—
Wellness Support Package (Note 14E)	388	649
Others	150,674	83,006
	<u>1,252,846</u>	<u>2,008,813</u>

4C. Administrative expenses

The material component and other selected components includes the following:

	<u>2026</u>	<u>2025</u>
	\$	\$
Audit fees to the independent auditor of the Society	23,000	22,000
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)	584,055	597,618
Reversal on impairment of trade receivables (Note 8)	(73,032)	(29,912)
Bad debts written off	7,817	18,298
Amortisation of right-of-use asset (Note 7)	209,340	209,340
Subscriptions	126,636	125,431
Property, plant and equipment written off	91	—
Outsourced services	<u>457,252</u>	<u>482,751</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>Total</u>
	\$	\$	\$	\$
<u>Cost:</u>				
At 1 April 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
Additions	—	417,702	—	417,702
Written-off	—	(95,400)	—	(95,400)
At 31 March 2026	25,023,811	3,327,761	48,230	28,399,802
<u>Accumulated depreciation:</u>				
At 1 April 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
Depreciation for the year	300,052	284,003	—	584,055
Written-off	—	(95,309)	—	(95,309)
At 31 March 2026	18,293,915	2,057,004	48,230	20,399,149
<u>Carrying value:</u>				
At 1 April 2024	7,330,000	1,320,970	—	8,650,970
At 31 March 2025	7,029,948	1,137,149	—	8,167,097
At 31 March 2026	6,729,896	1,270,757	—	8,000,653

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

6. Other financial assets

	<u>2026</u>	<u>2025</u>
	\$	\$
Investments at fair value through profit or loss ("FVTPL") (Note 6A)	11,082,251	7,375,704
Debt assets instruments at amortised cost (Note 6B)	766,250	—
	<u>11,848,501</u>	<u>7,375,704</u>

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

<u>Name</u>	<u>Level</u>	<u>2026</u>	<u>2025</u>
		\$	\$
Unquoted money market fund	2	<u>11,082,251</u>	<u>7,375,704</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>2026</u>	<u>2025</u>
	\$	\$
Movements during the year:		
Fair value at beginning of the year	7,375,704	5,651,481
Additions	3,500,000	1,500,000
Increase in fair value through profit or loss (Note 4)	206,547	224,223
Fair value at end of the year	<u>11,082,251</u>	<u>7,375,704</u>

Sensitivity analysis for price risk of unquoted funds at FVTPL

	<u>2026</u>	<u>2025</u>
	\$	\$
A hypothetical 10% increase in the market index that relate to funds would have a favourable effect on fair value of	<u>1,108,225</u>	<u>737,570</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).

6B. Disclosures relating to debt assets instruments at amortised cost

	<u>2026</u>	<u>2025</u>
	\$	\$
Quoted bonds in corporations with fixed coupon rates of 2.65% and maturing on 26 August 2030 (effective rate 2.12%), Singapore	<u>766,250</u>	<u>—</u>

The quoted bonds are expected to mature after 3 years from the reporting date.

	<u>2026</u>	<u>2025</u>
	\$	\$
Movements during the year - at amortised cost:		
Amortised cost at beginning of the year	—	—
Additions	766,250	—
Amortised cost at end of the year	<u>766,250</u>	<u>—</u>

Fair value of financial instruments stated at amortised cost:

	<u>Level</u>	<u>2026</u>	<u>2025</u>
		\$	\$
Quoted bonds in corporations with fixed coupon rates of 2.65% and maturing on 26 August 2030 (effective rate 2.12%), Singapore	1	<u>759,630</u>	<u>—</u>

SOCIETY FOR THE AGED SICK

7. Right-of-use asset

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Land use right at cost:</u>		
At the beginning and end of the year	6,280,070	6,280,070
<u>Accumulated amortisation:</u>		
At the beginning of the year	1,378,155	1,168,815
Amortisation for the year (Note 4C)	209,340	209,340
At the end of the year	1,587,495	1,378,155
<u>Carrying value:</u>		
Balance at the end of the year	4,692,575	4,901,915

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.

8. Trade and other receivables

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Trade receivables:</u>		
Outside parties	464,367	584,736
Less allowance for impairment	(113,565)	(186,597)
Government grant and subsidies receivables	2,641,004	2,331,912
Net trade receivables - subtotal	2,991,806	2,730,051
<u>Other receivables:</u>		
Outside parties	10,979	5,879
Interest receivable	82,297	132,333
Other receivables - subtotal	93,276	138,212
Total trade and other receivables	3,085,082	2,868,263
<u>Movements in above allowance on trade receivables:</u>		
Balance at the beginning of the year	186,597	216,509
Reversed to profit or loss (Note 4C)	(73,032)	(29,912)
Balance at the end of the year	113,565	186,597

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 \$113,565 (2025: \$186,597) is recognised.

The ageing of trade receivables from outside parties:

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Trade receivables:</u>		
Within due date	163,433	178,119
1 to 30 days past due	141,839	150,276
31 to 60 days past due	648	—
61 to 90 days past due	18,814	25,760
Over 90 days past due	139,633	230,581
Total	464,367	584,736

SOCIETY FOR THE AGED SICK

8. Trade and other receivables

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>2026</u>	<u>2025</u>
	\$	\$
Prepayments	37,139	25,858
Deposits to secure services	118,620	143,192
Others	3,952	2,451
	<u>159,711</u>	<u>171,501</u>

10. Cash and cash equivalents

	<u>2026</u>	<u>2025</u>
	\$	\$
Available for use by the society	<u>21,161,696</u>	<u>19,652,996</u>
Interest earning balances	<u>11,922,398</u>	<u>7,851,524</u>

The rate of interest for the cash on interest-earning balances is between 1.10% to 1.65% (2025: 2.5% to 3.5%) 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.

Designated funds:

The Capital Expenditure Fund was established by the Board to support the future replacement of essential equipment, IT systems, and other major capital expenditure needs.

SOCIETY FOR THE AGED SICK

11. Funds of the Society

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>2026</u> \$	<u>2025</u> \$
Unrestricted funds	<u>31,735,875</u>	<u>27,667,160</u>
Annual operating expenditure*	<u>20,979,895</u>	<u>19,247,880</u>
The ratio of reserves to annual operating expenditure (times)	<u>1.51</u>	<u>1.44</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 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.

13. Trade and other payables

	<u>2026</u> \$	<u>2025</u> \$
<u>Trade payables:</u>		
Outside parties	<u>788,712</u>	<u>651,110</u>
<u>Other payables:</u>		
Outside parties and accrued liabilities	1,705,739	1,530,754
Residents' funds held on behalf	167,048	169,608
Residents' maintenance deposits	73,704	57,282
Non-refundable payments received in advance	426,553	408,485
Deferred income	801,127	630,825
Total other payables	<u>3,174,171</u>	<u>2,796,954</u>
Total trade and other payables	<u>3,962,883</u>	<u>3,448,064</u>

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

SOCIETY FOR THE AGED SICK

14. Other liabilities

	<u>2026</u>	<u>2025</u>
	\$	\$
Community Silver Trust - deferred income (Note 14A)	2,917,201	2,331,444
Deferred building grant (Note 14B)	3,357,322	3,507,091
Deferred capital grant (Note 14C)	1,892,571	2,189,444
Interim long-term care subsidies (Note 14G)	310,507	—
President's Challenge Fund (Note 14D)	190,611	190,631
Wellness Support Package (Note 14E)	40,106	40,494
NH Staff accommodation (Note 14F)	550,761	550,761
Monies held on behalf of Medifund Account	485,407	438,804
Monies held on behalf of Financial Assistance Scheme	37,634	32,897
	<u>9,782,120</u>	<u>9,281,566</u>

14A. Community Silver Trust - deferred income

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at the beginning of the year	2,331,444	1,713,081
Received during the year	1,518,669	1,222,717
Interest income recognised during the year	28,208	48,783
Utilisation	(606,140)	(653,137)
Refund of unutilised grant	(354,980)	—
Balance at the end of the year	<u>2,917,201</u>	<u>2,331,444</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.

14B. Deferred building grant

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>At cost:</u>		
Balance at the beginning and end of the year	<u>17,755,298</u>	<u>17,755,298</u>
<u>Accumulated amortisation:</u>		
Balance at the beginning of the year	14,248,207	14,098,438
Amortisation for the year (Note 4)	149,769	149,769
Balance at the end of the year	<u>14,397,976</u>	<u>14,248,207</u>
<u>Carrying value:</u>		
Balance at the beginning of the year	<u>3,507,091</u>	<u>3,656,860</u>
Balance at the end of the year	<u>3,357,322</u>	<u>3,507,091</u>

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

SOCIETY FOR THE AGED SICK

14. Other liabilities

14C. Deferred capital grant

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>At cost:</u>		
Balance at the beginning of the year	3,206,655	3,024,587
Purchase of plant and equipment - grants received	74,934	182,068
Utilisation (Note 4B)	(131,300)	—
Balance at the end of the year	<u>3,150,289</u>	<u>3,206,655</u>
<u>Accumulated amortisation:</u>		
Balance at the beginning of the year	1,017,211	769,383
Amortisation for the year (Note 4)	240,507	247,828
Balance at the end of the year	<u>1,257,718</u>	<u>1,017,211</u>
<u>Carrying value:</u>		
Balance at the beginning of the year	<u>2,189,444</u>	<u>2,255,204</u>
Balance at the end of the year	<u>1,892,571</u>	<u>2,189,444</u>

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

14D. President's Challenge Fund

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at the beginning of the year	190,631	140,631
Received during the year	—	50,000
Utilisation (Note 4B)	(20)	—
Balance at the end of the year	<u>190,611</u>	<u>190,631</u>

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.

14E. Wellness Support Package

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at the beginning of the year	40,494	41,143
Utilisation (Note 4B)	(388)	(649)
Balance at the end of the year	<u>40,106</u>	<u>40,494</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>2026</u>	<u>2025</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.

SOCIETY FOR THE AGED SICK

14. Other liabilities

14G. Interim long-term care subsidies

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance at the beginning of the year	–	–
Received during the year	628,397	–
Utilisation (Note 4B)	<u>(317,890)</u>	<u>–</u>
Balance at the end of the year	<u>310,507</u>	<u>–</u>

Interim long-term care subsidies received under the Ministry of Health's interim Long-Term Care rebate scheme, which provides additional subsidies to eligible Singapore Citizen clients to improve affordability of long-term care services and reduce clients' out-of-pocket payments.

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>2026</u>	<u>2025</u>
	\$	\$
Financial assets:		
Financial assets at amortised cost	25,013,028	22,521,259
At fair value through profit or loss ("FVTPL")	<u>11,082,251</u>	<u>7,375,704</u>
At the end of the year	<u>36,095,279</u>	<u>29,896,963</u>
Financial liabilities:		
Financial liabilities at amortised cost	<u>2,735,203</u>	<u>2,408,754</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.

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.

SOCIETY FOR THE AGED SICK

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

15B. Financial risk management

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.

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 (2025: 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.

SOCIETY FOR THE AGED SICK

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. Events after the end of the reporting period

Subsequent to the end of the reporting year, the Society invested \$1,500,000 in Lion Global Investors Limited ("LGI") Money Market Fund.

18. 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 reporting entity.

19. 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>	<u>Effective date for periods beginning on or after</u>
Various	Annual Improvements – Volume 11	1 January 2026
FRS 118	Presentation and Disclosures In Financial Statements	1 January 2027

FRS 118 Presentation and Disclosure in Financial Statements. It replaces FRS 1. The new version includes (a) revised presentation of specified categories and defined subtotals in the statement of profit or loss; (b) new disclosures on management-defined performance measures in the notes to the financial statements; and (c) improved disclosures of aggregation and disaggregation of balances. It also requires the disclosure, for the comparative period immediately preceding the period in which this standard is first applied, a reconciliation for each line item in the statement of profit or loss between (a) the restated amounts and (b) the amounts previously presented applying the replaced version.

