

**Thye Hua Kwan Nursing Home Limited**  
**(A Company limited by guarantee**  
**and not having a share capital)**

**Registration Number: 201323219Z**  
(Registered under the Singapore Companies Act 1967)

Annual Report  
Year ended 31 March 2024

## **Directors' statement**

We are pleased to submit this annual report to the member of the Company, together with the audited financial statements for the financial year ended 31 March 2024.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS33 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in funds and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967, the Singapore Charities Act 1994 and other relevant regulations and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## **Directors**

The directors in office at the date of this statement are as follows:

Lee Kim Siang  
Goh Tok Mong  
Ching Chiat Kwong  
Cheah Sheau Lan  
Chang Long Jong  
Eu Yee Ming Richard  
Ong Ser Huan  
Koh Juay Meng  
Ng Kok Kiang Lawrence  
Thiruthakka Devan S/O Perumal  
Cheong Kah Meng

## **Directors' interests**

As the Company is limited by guarantee and has no share capital, no director who held office at the end of the financial year had interests in the capital of the Company either at the beginning of the financial year or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967, no director who held office at the end of the financial year (including those held by their spouses and infant children) had interests in shares or debentures of related corporations, either at the beginning of the financial year or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **Auditors**

The auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. Deloitte & Touche LLP has been nominated to be the auditor for the ensuing year. The appointment of Deloitte & Touche LLP is subject to shareholder's approval at the forthcoming 11<sup>th</sup> Annual General Meeting.

On behalf of the Board of Directors



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**Lee Kim Siang**

*Director*



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**Ng Kok Kiang Lawrence**

*Director*

12 September 2024



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## **Independent auditors' report**

Member of the Company  
Thye Hua Kwan Nursing Home Limited

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Thye Hua Kwan Nursing Home Limited (the Company), which comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS33.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Companies Act"), the Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in funds and cash flows of the Company 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 '*Auditors' 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 *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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

*Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal controls 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 Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

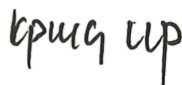
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

In our opinion, the accounting and other records required by the Company have been properly kept in accordance with the provisions of the Companies 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 Company has not used the donation moneys in accordance with the objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

**KPMG LLP***Public Accountants and  
Chartered Accountants***Singapore**

12 September 2024

**Statement of financial position**  
**As at 31 March 2024**

	Note	2024 \$	2023 \$
<b>Non-current assets</b>			
Property, plant and equipment	4	1,343,633	1,170,621
Right-of-use assets	5	812,926	1,413,734
Investments	6	8,418,063	8,339,665
		<u>10,574,622</u>	<u>10,924,020</u>
<b>Current assets</b>			
Trade and other receivables	7	3,576,641	3,048,141
Other financial assets	9	12,061,182	5,722,620
Cash and cash equivalents	8	8,244,351	10,526,424
		<u>23,882,174</u>	<u>19,297,185</u>
<b>Total assets</b>		<u>34,456,796</u>	<u>30,221,205</u>
<b>Funds</b>			
Accumulated funds		26,984,583	22,556,311
<b>Total funds</b>		<u>26,984,583</u>	<u>22,556,311</u>
<b>Non-current liabilities</b>			
Deferred capital grants	10	655,384	568,643
Lease liabilities	11	226,961	859,672
		<u>882,345</u>	<u>1,428,315</u>
<b>Current liabilities</b>			
Deferred capital grants	10	397,801	384,077
Lease liabilities	11	632,711	618,785
Deferred income	12	2,990,185	3,332,625
Trade and other payables	13	2,569,171	1,901,092
		<u>6,589,868</u>	<u>6,236,579</u>
<b>Total liabilities</b>		<u>7,472,213</u>	<u>7,664,894</u>
<b>Total funds and liabilities</b>		<u>34,456,796</u>	<u>30,221,205</u>
<b>Member Guarantee</b>			
1 member (2023: 1) of \$100 each (2023: \$100 each)		<u>100</u>	<u>100</u>

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

**Statement of comprehensive income**  
**Year ended 31 March 2024**

	Note	2024 \$	2023 \$
<b>Incoming resources:</b>			
Incoming resources from generated funds:			
- Government grants	14	15,466,705	13,603,536
- COVID-19 grants	15	40,810	211,550
- Donation income	16	1,067,538	1,171,003
- Other income	17	1,471,934	1,025,591
Incoming resources from charitable activities	18	3,229,729	2,869,409
<b>Total incoming resources</b>		21,276,716	18,881,089
<b>Resources expended:</b>			
Cost of generating donation income	19	(289,511)	(309,084)
Cost of conducting charitable activities	20	(16,611,846)	(14,248,475)
Finance income/(costs)	21	52,913	(527,291)
<b>Total resources expended</b>		(16,848,444)	(15,084,850)
<b>Surplus for the year, representing total comprehensive income</b>		4,428,272	3,796,239

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



**Statement of changes in funds**  
**Year ended 31 March 2024**

	<b>Accumulated funds (Unrestricted) \$</b>
At 1 April 2022	18,760,072
<b>Total comprehensive income for the year</b>	
Surplus for the year	3,796,239
Total comprehensive income for the year	3,796,239
At 31 March 2023	<u>22,556,311</u>
At 1 April 2023	22,556,311
<b>Total comprehensive income for the year</b>	
Surplus for the year	4,428,272
Total comprehensive income for the year	4,428,272
At 31 March 2024	<u>26,984,583</u>

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

**Statement of cash flows**  
**Year ended 31 March 2024**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Surplus for the year		4,428,272	3,796,239
Adjustments for:			
Depreciation of property, plant and equipment	4	535,964	520,389
Depreciation of right-of-use assets	5	600,808	600,726
Amortisation of deferred capital grants	10	(440,437)	(441,456)
Loss on disposal of fixed asset	20	3,868	10,276
Impairment losses on trade and other receivables	20	16,806	30,148
Bad debts written off	20	6,957	9,842
Interest income	17	(582,003)	(143,684)
Dividend income	17	(269,715)	(223,872)
Finance (income)/costs	21	(52,913)	527,291
Rental subvention grants from government	11	(696,663)	(690,414)
		<u>3,550,944</u>	<u>3,995,485</u>
Changes in working capital:			
Trade and other receivables		(561,035)	89,978
Trade and other payables		668,079	(811,712)
Deferred income		(342,440)	590,435
<b>Net cash from operating activities</b>		<u>3,315,548</u>	<u>3,995,485</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(713,092)	(272,221)
Government grants received for purchase of property, plant and equipment	10	540,902	254,377
Proceeds from disposal of property, plant and equipment		248	—
Dividend received		269,715	221,611
Interest received		590,775	136,959
Placements of fixed deposits		(6,338,562)	(622,228)
<b>Net cash used in investing activities</b>		<u>(5,650,014)</u>	<u>(281,502)</u>
<b>Cash flows from financing activities</b>			
Rental subvention from government	11	696,663	690,414
Payment of lease liabilities	11	(618,785)	(605,165)
Interest paid	11	(25,485)	(39,138)
<b>Net cash from financing activities</b>	11	<u>52,393</u>	<u>46,111</u>
<b>Net increase in cash and cash equivalents</b>		(2,282,073)	3,628,795
Cash and cash equivalents at beginning of the year		10,526,424	6,897,629
<b>Cash and cash equivalents at end of the year</b>	8	<u>8,244,351</u>	<u>10,526,424</u>

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

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 September 2024.

### **1 Domicile and activities**

Thye Hua Kwan Nursing Home Limited (the 'Company') is incorporated in Singapore as a company limited by guarantee. The address of the Company's registered office is 48 Hougang Avenue 8, Singapore 538793.

The principal activities of the Company are those relating to the carrying on of the business of providing nursing and personal care facilities including residential care services for the elderly.

The Company is a welfare arm of Thye Hua Kwan Moral Society (THKMS) since its establishment on 28 August 2013. The Company commenced operations in October 2016.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (FRS). The changes to material accounting policies are described in note 2.5.

#### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

#### **2.3 Functional and presentation currency**

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

#### **2.4 Use of estimates and judgments**

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no critical judgments made in applying the Company's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

## 2.5 Changes in material accounting policies

### **New accounting standards and amendments**

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

### *Material accounting policy information*

The Company adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

## **3 Material accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 2.5, which addresses changes in accounting policies.

### 3.1 Property, plant and equipment

#### ***Recognition and measurement***

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of comprehensive income.

#### ***Subsequent costs***

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of comprehensive income as incurred.

Low value assets costing less than \$500 individually are written off in the period of outlay.

#### ***Depreciation***

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in surplus or deficit on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Computers	3 years
Medical, rehabilitation, facilities, kitchen and laundry equipment	5 years
Office equipment	5 years
Motor vehicles	5 years
Renovations	5 years
Hospital beds	10 years
Furniture and fittings	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### **3.2 Financial instruments**

#### **(i) Recognition and initial measurement**

##### ***Non-derivative financial assets and financial liabilities***

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**(ii) Classification and subsequent measurement**

**Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Financial assets 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 FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

***Financial assets at FVTPL***

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

**Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

**Non-derivative financial assets: Subsequent measurement and gains and losses**

***Financial assets FVTPL***

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.

***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

**Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in surplus or deficit. Directly attributable transaction costs are recognised in surplus or deficit as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. These financial liabilities comprised trade and other payables.

**(iii) Derecognition**

**Financial assets**

The Company derecognises a financial asset 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 either substantially all of the risks and rewards of ownership of the financial asset are transferred or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) Cash and cash equivalents**

Cash and cash equivalents comprise bank balances, cash on hand and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.



### 3.3 Impairment

#### (i) **Non-derivative financial assets**

The Company recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

#### ***Simplified approach***

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

#### ***General approach***

The Company applies the general approach to provide for ECLs on all other financial instruments.

Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset remains outstanding for more than the reasonable range of past due days, taking into consideration historical payment track record, current macroeconomics situation as general industry trend.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

### ***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### ***Credit-impairment financial assets***

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or remains outstanding for more than the reasonable range of past due days.

### **Presentation of allowance for ECLs in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

### ***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## **(ii) Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in surplus or deficit.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists for all assets. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.4 Employee benefits

#### ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income in the periods during which related services are rendered by employees.

#### ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 3.5 Government grants

Government grants are accounted for on an accrual basis in the statement of financial position when there is a reasonable assurance that the Company has complied with all the terms and conditions attached to the grant and there is reasonable certainty that the grant will be received.

#### ***Grants related to assets***

Grants which are designated for the purchase of property, plant and equipment are taken to deferred capital grants. The deferred capital grant is amortised over the useful life of the property, plant and equipment by crediting to surplus or deficit an amount so as to match the related depreciation expense.

#### ***Grants related to income***

Grants received are recognised initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred are recognised as income in surplus or deficit on a systematic basis in the periods in which the expenses are incurred, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

***Land rental subsidy***

Land rental subsidy from government is recognised when there is a reasonable assurance that the grant will be received and the Company will comply with attached conditions.

**3.6 Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**3.7 Incoming resources**

***Rendering of services***

Income from rendering of services are recognised when services are rendered. Income excludes goods and services taxes or other sales taxes.

***Donation income***

Donations income are recognised in statement of comprehensive income in the period of receipt, provided there is evidence of entitlement, as expressed in writing.

***Interest income***

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

**3.8 Finance costs**

The Company's finance costs include interest expense arising from lease liabilities, transaction costs relating to acquisition of investments and the net change in fair value of financial assets designated at FVTPL.

Interest expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

**3.9 Funds structure**

Unrestricted funds are available for use at the discretion of the management in furtherance of the general objectives of the Company.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

### 3.10 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS 116.

#### **As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in surplus or deficit if the carrying amount of the right-of-use asset has been reduced to zero.

*Leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets, including certain IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.11 Tax

As a registered charity under the Singapore Charities Act 1994, the Company is exempted from income tax under the Income Tax Act 1947.

## 4 Property, plant and equipment

	Computers \$	Medical, rehabilitation, facilities, kitchen and laundry equipment \$	Office equipment \$	Hospital beds \$	Renovations \$	Furniture and fittings \$	Motor vehicles \$	Total \$
<b>Cost</b>								
At 1 April 2022	651,300	1,927,626	78,000	683,127	91,671	331,363	267,154	4,030,241
Additions	96,942	54,707	4,974	–	105,332	10,266	–	272,221
Disposals	(32,297)	(38,258)	(7,758)	–	–	(17,227)	–	(95,540)
At 31 March 2023	715,945	1,944,075	75,216	683,127	197,003	324,402	267,154	4,206,922
Additions	131,840	306,920	57,297	–	95,580	121,455	–	713,092
Disposals	(4,210)	(58,342)	(5,243)	–	–	(14,231)	–	(82,026)
At 31 March 2024	843,575	2,192,653	127,270	683,127	292,583	431,626	267,154	4,837,988
<b>Accumulated depreciation</b>								
At 1 April 2022	323,674	1,458,626	71,816	383,335	74,954	165,822	122,949	2,601,176
Depreciation charge for the year	160,804	191,260	2,814	68,313	10,656	33,111	53,431	520,389
Disposals	(32,297)	(34,686)	(7,758)	–	–	(10,523)	–	(85,264)
At 31 March 2023	452,181	1,615,200	66,872	451,648	85,610	188,410	176,380	3,036,301
Depreciation charge for the year	171,609	181,300	5,162	68,312	34,359	34,771	40,451	535,964
Disposals	(4,210)	(58,342)	(5,243)	–	–	(10,115)	–	(77,910)
At 31 March 2024	619,580	1,738,158	66,791	519,960	119,969	213,066	216,831	3,494,355
<b>Carrying amounts</b>								
At 1 April 2022	327,626	469,000	6,184	299,792	16,717	165,541	144,205	1,429,065
At 31 March 2023	263,764	328,875	8,344	231,479	111,393	135,992	90,774	1,170,621
At 31 March 2024	223,995	454,495	60,479	163,167	172,614	218,560	50,323	1,343,633

## 5 Right-of-use assets

	<b>Leasehold properties \$</b>
<b>Cost</b>	
At 1 April 2022, 31 March 2023 and 31 March 2024	<u>3,816,638</u>
<b>Accumulated depreciation</b>	
At 1 April 2022	1,802,178
Depreciation charge for the year	<u>600,726</u>
At 31 March 2023	2,402,904
Depreciation charge for the year	<u>600,808</u>
At 31 March 2024	<u><u>3,003,712</u></u>
<b>Carrying amounts</b>	
At 1 April 2022	<u>2,014,460</u>
At 31 March 2023	<u>1,413,734</u>
At 31 March 2024	<u><u>812,926</u></u>

## 6 Investments

	<b>2024 \$</b>	<b>2023 \$</b>
Quoted debt investments – at FVTPL	<u>8,418,063</u>	<u>8,339,665</u>

### Market risk and fair value measurement

Information about the Company's exposures to market risk and fair value measurement, is included in note 24.

## 7 Trade and other receivables

	<b>2024 \$</b>	<b>2023 \$</b>
Trade receivables	1,001,921	648,856
Impairment losses on trade receivables	<u>(161,990)</u>	<u>(145,184)</u>
	839,931	503,672
Amounts due from affiliated companies (trade)	56,660	27,757
Government grant receivables	2,303,142	2,098,022
Interest receivables	108,473	117,246
Dividend receivables	8,986	8,986
Deposits	184,756	239,929
Others	<u>5,771</u>	<u>–</u>
	3,507,719	2,995,612
Prepayments	<u>68,922</u>	<u>52,529</u>
	<u><u>3,576,641</u></u>	<u><u>3,048,141</u></u>

The Company's exposure to credit risk relating to trade and other receivables is set out in note 23.



## 8 Cash and cash equivalents

	2024 \$	2023 \$
Bank balances and cash on hand	7,744,351	3,813,397
Fixed deposits with financial institutions	500,000	6,713,027
	<u>8,244,351</u>	<u>10,526,424</u>

Included in cash and cash equivalents is a balance of \$2,977,146 (2023: \$3,270,832) in relation to Community Silver Trust funding for which the use is subject to certain restrictions imposed by the funding body.

The Company also holds a Medifund bank account of \$845,472 (2023: \$347,022) that is not recognised in the financial statements of the Company. The monies are held in trust and administrated by the Company as part of the Medical Endowment Scheme and does not form part of the Company's assets under the Ministry of Health ("MOH") Medifund Guidelines.

The weighted average effective interest rates per annum relating to bank balances and fixed deposits are 0.13% (2023: 0.11%) and 3.43% (2023: 3.88%) respectively.

## 9 Other financial assets

	2024 \$	2023 \$
Fixed deposits with financial institutions	<u>12,061,182</u>	<u>5,722,620</u>

The weighted average effective interest rates per annum relating to fixed deposits are 3.96% (2023: 3.76%). Interest rates on fixed deposits reprice between 6 to 12 months.

## 10 Deferred capital grants

	2024 \$	2023 \$
At 1 April	952,720	1,139,799
Grants received during the year	540,902	254,377
Amortisation for the year	(440,437)	(441,456)
At 31 March	<u>1,053,185</u>	<u>952,720</u>
Non-current	655,384	568,643
Current	397,801	384,077
	<u>1,053,185</u>	<u>952,720</u>

Deferred capital grants represent government grants received in relation to the purchase of IT infrastructure, furniture and equipment, and are amortised over the period necessary to match the depreciation of the property, plant and equipment purchased with the related grants.

## 11 Lease liabilities

	2024 \$	2023 \$
Non-current	226,961	859,672
Current	632,711	618,785
<b>Total lease liabilities</b>	<b>859,672</b>	<b>1,478,457</b>

The Company leases properties for its nursing home and senior care centre premises. The leases typically run for a period of 3 years, with an option to renew the lease after that date for a further 3 years depending on the renewal of the service agreement with the MOH. Lease payments are usually non-negotiable.

Terms and conditions of outstanding lease liabilities are as follows:

	Effective interest rate	Year of maturity	Face value \$	Carrying amount \$
<b>2024</b>				
Lease liabilities	2.23%	2026	872,040	859,672
<b>2023</b>				
Lease liabilities	2.23%	2026	1,516,344	1,478,457

### Reconciliation of movements to cash flows arising from financing activities

	Lease liabilities \$
<b>Balance as at 1 April 2022</b>	2,083,622
<b>Change from financing cash flows</b>	
Payment of lease liabilities	(605,165)
Interest paid	(39,138)
Rental subvention from government	690,414
<b>Total changes from financing cash flows</b>	46,111
<b>Other changes</b>	
Rental subvention from government	(690,414)
Interest expense arising from lease liabilities	39,138
<b>Total other changes</b>	(651,276)
<b>Balance as at 31 March 2023</b>	<b>1,478,457</b>

	<b>Lease liabilities</b> \$
<b>Balance as at 1 April 2023</b>	1,478,457
<b>Change from financing cash flows</b>	
Payment of lease liabilities	(618,785)
Interest paid	(25,485)
Rental subvention from government	696,663
<b>Total changes from financing cash flows</b>	52,393
<b>Other changes</b>	
Rental subvention from government	(696,663)
Interest expense arising from lease liabilities	25,485
<b>Total other changes</b>	(671,178)
<b>Balance as at 31 March 2024</b>	<u>859,672</u>

As at 31 March 2024, the Company has received \$696,663 (2023: \$690,414) and recognised \$175,068 (2023: \$172,351) of receivable from MOH as government grant for leases. The Company has recognised this entire amount as grant income during the year.

**Amounts recognised in surplus or deficit**

	<b>2024</b>	<b>2023</b>
	\$	\$
Interest expense arising from lease liabilities	25,485	39,138
Expenses relating to short-term leases	—	68,800
Expenses relating to leases of low-value assets	<u>4,555</u>	<u>4,620</u>

The Company leases premises and photocopier machines with contract terms of one to five years. These leases are short-term and/or leases of low-value assets. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

**Amounts recognised in statement of cash flows**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Total cash outflow for leases</b>	<u>648,825</u>	<u>717,723</u>

## 12 Deferred income

	Note	2024 \$	2023 \$
Community Silver Trust	(a)	2,977,146	3,308,800
Other grants		13,039	23,825
		2,990,185	3,332,625

### (a) Community Silver Trust (CST) matching grant

	2024 \$	2023 \$
At 1 April	3,308,800	2,432,103
Grant received	602,794	1,780,451
Grant utilised for qualifying expenses	(705,142)	(608,895)
Grant utilised to purchase plant and equipment and transferred to deferred capital grant during the year	(226,826)	(85,740)
Refunds for expired funds	(2,480)	(209,119)
At 31 March	2,977,146	3,308,800

The Community Silver Trust is a scheme whereby the Agency for Integrated Care (AIC) will provide a matching grant of one dollar for every donation dollar raised by eligible organisations. The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long Term Care (ILTC) Sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care.

The CST matching grant has to be utilised before 31 March 2027 and the Agency for Integrated Care (AIC) has the right to clawback the balance amounts in the event the grant is not used before the stipulated deadline.

## 13 Trade and other payables

	2024 \$	2023 \$
Trade payables	376,219	292,920
Amounts due to THKMS (trade)	180,497	227,767
Amounts due to affiliated companies (trade)		144,328
Accrued operating expenses	1,200,152	928,580
Other payables	285,284	258,712
Goods and services tax payables	60,764	48,785
	2,569,171	1,901,092

## 14 Government grants

	Note	2024 \$	2023 \$
Patient subvention income grant		11,432,932	10,609,936
Rental subvention grant		696,663	690,414
CST matching grant	12	705,142	608,895
Community Care Salary Enhancement Scheme	(a)	2,371,874	1,276,460
Others		260,094	417,831
		15,466,705	13,603,536

### (a) Community Care Salary Enhancement Scheme (CCSE)

The Community Care Salary Enhancement Scheme (CCSE) funding was given by MOH to fund salary enhancement for local and foreign nurses, allied health professionals, pharmacists and administrative and ancillary, including support care staff in the community care sector.

## 15 COVID-19 grants

	2024 \$	2023 \$
Staff accommodation funding arising from COVID-19 measures	–	113,200
COVID-19 Healthcare Award	40,810	98,350
	40,810	211,550

In 2023, \$113,200 of grants from MOH for resident facing staff accommodation claims arising from the COVID-19 measures received during the year.

## 16 Donation income

	2024 \$	2023 \$
Non-tax deductible donations	108,080	128,440
Tax deductible donations	959,458	1,042,563
	1,067,538	1,171,003

Included in the donation income is an amount of \$364,098 (2023: \$183,537) received from fund raising activities organised by THKMS. Tax exempt receipts were issued directly by the Company to the donors.

## 17 Other income

	2024 \$	2023 \$
Amortisation of deferred capital grants	440,437	441,456
Wage credit and employment credit scheme	20,091	129,589
Interest income	582,003	143,684
Dividend income	269,715	223,872
Bad debts recovered	—	204
Others	159,688	86,786
	<u>1,471,934</u>	<u>1,025,591</u>

## 18 Incoming resources from charitable activities

	2024 \$	2023 \$
Patient and related income	<u>3,229,729</u>	<u>2,869,409</u>

Patient and related services relate to provision of medical service and items to patients. Revenue is recognised upon medical services and items are provided to patients. Payment is due when invoice is issued and payable within 30 days.

## 19 Cost of generating donation income

	2024 \$	2023 \$
Fund raising costs	<u>289,511</u>	<u>309,084</u>

The Company incurred fund raising expenses of \$267,790 (2023: \$270,255) paid or payable to THKMS for tax deductible donations raised for the Company.

## 20 Cost of conducting charitable activities

	2024	2023
	\$	\$
Bad debts written off	6,957	9,842
Depreciation of property, plant and equipment	535,964	520,389
Depreciation of right-of-use assets	600,480	600,726
Employee benefits expense (see below)	10,229,630	8,692,871
Impairment losses on trade and other receivables	16,806	30,148
Legal and professional fees	29,213	10,778
Audit fees paid/payable to auditors of the Company	67,566	57,006
Non- audit fees paid/payable to auditors of the Company	20,012	17,635
Loss on disposal of property, plant and equipment	3,868	10,276
Patient related services and supplies	2,648,350	2,342,766
Upkeep costs and utilities expenses	1,522,131	1,335,579
Other expenses	930,869	620,459
	<u>16,611,846</u>	<u>14,248,475</u>
<b>Employee benefits expense</b>		
- Wages and salaries	7,011,509	6,272,119
- Contribution to defined contribution plans	528,491	588,659
- Foreign worker levies	1,241,118	1,110,466
- Other short-term benefits	1,448,512	721,627
	<u>10,229,630</u>	<u>8,692,871</u>

## 21 Finance (income)/costs

	2024	2023
	\$	\$
Interest expense arising from lease liabilities	25,485	39,138
Net change in fair value of financial assets designated at FVTPL	(78,398)	488,153
	<u>(52,913)</u>	<u>527,291</u>

## 22 Related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

An affiliated company is defined as one in which a director of the Company is in a position to exercise significant influence.

***Key management personnel compensation***

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The Board of Directors, Chief Executive Officer and senior management are considered as key management personnel of the Company.

Key management personnel compensation (excluding a key management personnel remunerated by an affiliated company) comprised:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	367,679	626,210
Post-employment benefits	40,475	81,139
	<u>408,154</u>	<u>707,349</u>

With effect from 1 July 2021, the Company obtains key management personnel services for one of the key management personnel from an affiliated company. Accordingly, this amount is included under the other related party transactions in Note (a) below.

The annual remuneration of the Company's two highest paid staff and key management personnel (excluding a key management personnel who is remunerated by an affiliated company) who each received remuneration exceeding \$70,000 (2023: \$70,000), in the following bands in the year were as follows:

	<b>2024</b>	<b>2023</b>
Number of employees in bands:		
\$100,001 to \$200,000	<u>2</u>	<u>2</u>

The Company also received Board services from the Board of Directors and no remuneration is paid for their Board services.

***(a) Other related party transactions***

During the year, other than disclosed elsewhere in the financial statements, there were the following transactions with related parties carried out on terms agreed between the parties:

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
Service fees paid to THKMS	19	267,790	270,255
Purchase of services from an affiliated company	(a)	850,700	457,517
Purchase of food from an affiliated company		1,086,264	987,059
Recharge of services from an affiliated company		738	4,535
Recharge of utilities and services to an affiliated company		(105,244)	(77,208)
Service fee charge to an affiliated company		(24,315)	(62,006)

- (a) During the year, purchases of services from an affiliated company include the provision of key management personnel services for one of the key management personnel.



A key management personnel (who is also a close family member of a board member) is remunerated by an affiliated company. For the year ended 31 March 2024, the secondment fee of \$143,254 (2023: \$141,492) was paid to an affiliated company.

## **23 Income taxes**

The Company is an approved charity organisation under the Singapore Charities Act 1994 and an Institution of a Public Character under the Income Tax Act 1947. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption.

## **24 Financial instruments**

### **Financial risk management**

#### **Overview**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

#### ***Risk management framework***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### **Credit risk**

Credit risk is the risk of financial loss to the Company if a patient or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from patients.

The carrying amounts of financial assets represent the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of its financial assets.

### ***Trade receivables***

The Company's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to the trade receivables is limited due to the Company's varied patients. The Company's historical experience in the collection of accounts receivable falls within the recorded allowances. Management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Company's trade receivables.

The Company has a credit policy in place which establishes credit limit for patients and monitors their balances on an ongoing basis. Credit evaluations are performed on patients requiring credit over certain amount. The credit quality of patients is assessed after taking into account their financial position and past experience with the patients.

### ***Exposure to credit risk***

The exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date was:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Corporate	358,875	393,918
Government grants	2,303,142	2,098,022
Individuals	839,931	503,672
	<u>3,501,948</u>	<u>2,995,612</u>

The Company evaluates whether there is any objective evidence that trade receivables are impaired, and determines the amount of impairment loss as a result of the inability of the patients to make required payments. The Company determines the estimates based on the ageing of the trade receivables balance and credit-worthiness. If the financial condition of the patients were to deteriorate, actual write-offs would be higher than estimated.

### ***Impairment losses***

The ageing of trade and other receivables (excluding prepayments) at the reporting date was:

	<b>Weighted average loss rate %</b>	<b>Gross carrying amount \$</b>	<b>Impairment losses allowance \$</b>
<b>2024</b>			
No credit terms	—	2,605,357	—
Not past due	0.07	315,467	(223)
Past due 0 – 30 days	0.58	129,566	(750)
Past due 31 – 90 days	2.97	252,542	(7,505)
Past due more than 90 days	42.62	360,216	(153,512)
		<u>3,663,148</u>	<u>(161,990)</u>

	<b>Weighted average loss rate %</b>	<b>Gross carrying amount \$</b>	<b>Impairment losses allowance \$</b>
<b>2023</b>			
No credit terms	–	2,466,636	–
Not past due	2.34	269,670	(6,318)
Past due 0 – 30 days	4.44	138,326	(6,146)
Past due 31 – 90 days	10.23	127,601	(13,050)
Past due more than 90 days	86.37	138,563	(119,670)
		3,140,796	(145,184)

Allowance for impairment losses are made based on the historical trend of incurred losses. The Company has also assessed its trade receivables from patients based on the lifetime expected credit loss and all necessary allowance for impairment losses has been provided.

The Company believe that the amounts not impaired and are past due are still collectible, based on historical payment behaviour and extensive analyses of patient's credit risk.

Movements in allowance for impairment in respect of trade receivables from patients:

	<b>2024 \$</b>	<b>2023 \$</b>
At 1 April	145,184	116,181
Allowance for impairment loss on trade receivables	16,806	30,420
Utilisation	–	(1,417)
At 31 March	161,990	145,184

### ***Cash and cash equivalents and fixed deposits***

The Company held cash and cash equivalents with bank and financial institution counterparties, which are rated A- to AA- based on Standard & Poor's ratings.

Impairment on cash and cash equivalents and fixed deposits have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents and other financial assets have low credit risk based on the external credit ratings of the counterparties. The amount of the allowances on cash and cash equivalents and fixed deposits were negligible.

Concentration of credit risk relating to cash and cash equivalents and fixed deposits is limited to three (2023: three) financial institutions.

### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuation in cash flows. The Company receives donations from the public and fund raising activities organised by THKMS and subvention income from the government.

The contractual maturities of financial liabilities, including estimated interest payments are as follows:

	Note	Carrying amount \$	Cash flows			
			Contractual cash flows \$	Within 1 year \$	Within 1 to 5 years \$	More than 5 years \$
<b>2024</b>						
Lease liabilities	11	859,672	(910,944)	(644,304)	(266,640)	—
Trade and other payables <sup>^</sup>	13	2,508,407	(2,508,407)	(2,508,407)	—	—
		<u>3,368,079</u>	<u>(3,419,351)</u>	<u>(3,152,711)</u>	<u>(266,640)</u>	<u>—</u>
<b>2023</b>						
Lease liabilities	11	1,478,457	(1,516,344)	(644,304)	(872,040)	—
Trade and other payables <sup>^</sup>	13	1,852,307	(1,852,307)	(1,852,307)	—	—
		<u>3,330,764</u>	<u>(3,368,651)</u>	<u>(2,496,611)</u>	<u>(872,040)</u>	<u>—</u>

<sup>^</sup> Excludes goods and services tax payables

### Reserve management

The Company's reserve management objectives are to maintain strong and healthy capital ratios in order to support its operations.

The Company aims to maintain sufficient level of accumulated funds to meet three years of its budgeted operating expenditure. The Company regularly reviews and manages its reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Company's projected profitability and projected operating cash flows.

### Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates relates primarily to interest-earning financial assets. Interest rate risk is managed by the Company on an on-going basis.

### Exposure to interest rate risk

At the reporting date, the interest rate profile of the Company's interest-earning financial instruments, as reported to the management, was as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b><i>Fixed rate instruments</i></b>		
Fixed deposits with financial institutions		
- Cash and cash equivalents	500,000	6,713,027
- Other financial assets	12,061,182	5,722,620
	<u>12,561,182</u>	<u>12,435,647</u>

The Company is not exposed to any variable rate financial instruments and a change in interest rate at the reporting date would not affect income or expenditure.

#### ***Investment price risk***

The Company is exposed to price changes arising from quoted debt investments designated at fair value through profit and loss. An increase in the underlying investment prices of the investments at the reporting date by 10% (2023: 10%) for the Company would have increased income for the year by \$841,806 (2023: \$833,966). Similarly, a decrease in the underlying prices by 10% (2023: 10%) for the Company would have an equal but opposite effect.

This analysis assumes that all other variables remain constant.

#### **Accounting classifications and fair values**

The carrying amounts of financial assets and liabilities which are not measured at fair value, as shown in the statement of financial position, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair values due to the short period to maturity.

	<b>Note</b>	<b>Amortised cost \$</b>	<b>FVTPL \$</b>	<b>Other financial liabilities \$</b>	<b>Total carrying amount \$</b>	<b>Fair value (Level 1) \$</b>
<b>2024</b>						
<b>Financial assets</b>						
<b>measured at fair value</b>						
Investments	6	—	8,418,063	—	8,418,063	8,418,063
<b>Financial assets not measured at fair value</b>						
Trade and other receivables*	7	3,507,719	—	—	3,507,719	
Cash and cash equivalents	8	14,856,451	—	—	14,856,451	
Other financial assets	9	5,449,082	—	—	5,449,082	
		<u>23,813,252</u>	—	—	<u>23,813,252</u>	
<b>Financial liability not measured at fair value</b>						
Trade and other payables^	13	—	—	2,508,407	2,508,407	

	Note	Amortised cost \$	FVTPL \$	Other financial liabilities \$	Total carrying amount \$	Fair value (Level 1) \$
<b>2023</b>						
<b>Financial assets</b>						
<b>measured at fair value</b>						
Investments	6	—	8,339,665	—	8,339,665	8,339,665
<b>Financial assets not</b>						
<b>measured at fair value</b>						
Trade and other receivables*	7	2,995,612	—	—	2,995,612	
Cash and cash equivalents	8	8,285,255	—	—	8,285,255	
Other financial assets	9	7,963,789	—	—	7,963,789	
		<u>19,244,656</u>	<u>—</u>	<u>—</u>	<u>19,244,656</u>	
<b>Financial liability not</b>						
<b>measured at fair value</b>						
Trade and other payables^	13	—	—	1,852,307	1,852,307	

\* Excludes prepayments

^ Excludes goods and services tax payables

### **Determination of fair values**

#### *Investments*

The fair values of debt investments classified as financial assets carried at FVTPL have been determined by reference to the market prices at the reporting date.

#### *Other financial assets and liabilities*

The carrying amount of financial assets and liabilities with a maturity of less than one year (including trade and other receivables (excluding prepayments), cash and cash equivalents, and trade and other payables (excluding goods and services tax payables)) approximate their fair values because of the short period to maturity.

## 25 Comparative information

### *Change in classification*

During the year, to conform with the current year's presentation and to better reflect the substance of the transactions, the Company reclassified \$5,722,620 in the statement of financial position for the year ended 31 March 2023 from cash and cash equivalents to other financial assets.

	As previously reported \$	Reclassification \$	As restated \$
<b>Statement of financial position</b>			
Other financial assets	—	5,722,620	5,722,620
Cash and cash equivalents	12,435,647	(5,722,620)	6,713,027
<b>Statement of cash flow</b>			
<u>Cash flow from investing activities</u>			
Placement of fixed deposits	—	(622,228)	(622,228)

These amounts are reclassifications and do not have any material effect on the statement of comprehensive income and statement of financial position for the year ended 31 March 2023.