CHENG HONG WELFARE SERVICE SOCIETY
Registration Number: T04SS0148G
(Incorporated in Singapore)

STATEMENT BY MANAGEMENT COMMITTEE AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

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The members of the Management Committee are pleased to present the financial statements of Cheng Hong Welfare Service Society (the "Society") for the reporting year ended 31 December 2025.

1. Opinion of the members

In the opinion of the Management Committee,

(a) the accompanying financial statements are drawn up in accordance with the Societies Act 1966 (the "Societies Act") and the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), and the Financial Reporting Standards ("FRSs"), so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2025 and the results, changes in fund and cash flows of the Society for the reporting year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

2. Members

The members of the Management Committee at the date of this statement are as follows:

Mr. Lim Hang Chung	Emeritus Chairman
Dr. Sim Mong Keang, Kenny	Chairman
Mr. Neo Sing Hwee	Deputy Chairman
Mr. Chia Tian Weng	Vice Chairman
Mr. Lim Teck Seng, Alex	Vice Chairman
Mr. Chin Chee Hwa	Vice Chairman
Mr. Lim Eng Whatt, William	Vice Chairman
Mr. Lim Seng Lye, Lawrence	Secretary
Mr. Lim Eng Soon, Randy	Assistant Secretary
Mr. Lau Swee Siang, Cedrick	Assistant Secretary
Mr. Chow Jiewei, Alvin	Treasurer
Mr. Tan Kia Lai	Assistant Treasurer
Mr. Lee Ching Ann, Francis	Audit, Risk & Compliance
Ms. Chia Peh Choo, Elaine	Committee Member
Ms. Goh Yi Jun, Natalie	Committee Member
Mr. Kang Han Yi, David	Committee Member
Mr. Lee Jia Wei	Committee Member
Mr. Ng Kang Ming	Committee Member
Mr. Lim Kah Hian, James	Committee Member
Mr. Tan Yeow Ming, Stanley	Committee Member

3. Auditors

The auditors, Forvis Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Management Committee

Sim Mong Keang, Kenny	**Chow Jiewei, Alvin**
Chairman	Treasurer

Singapore
28 April 2026

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHENG HONG WELFARE SERVICE SOCIETY

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Cheng Hong Welfare Service Society (the Society), which comprise the statement of financial position as at 31 December 2025, and the statement of financial activities, 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.

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 the Financial Reporting Standards (FRSs) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2025 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report but does not include the financial statements and our auditor's report thereon.

We have obtained the Statement by Management Committee 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 identified above when it becomes available 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.

Report on the Audit of Financial Statements (Continued)

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

Management is responsible for the preparation and fair presentation in accordance with the provisions of the Societies Act, the Charities Act and Regulations, and the 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.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

- 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 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.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the 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 of the Charities (Institutions of a Public Character) Regulations.

FORVIS MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
28 April 2026

CHENG HONG WELFARE SERVICE SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Unrestricted			
	Note	General funds $	Designated funds $	2025 $	2024 $
Income resources					
Voluntary income	4	6,193,531	2,460,525	8,654,056	7,566,502
Grant income	5	369,494	386,431	755,925	991,929
Interest income	6	224,925	-	224,925	301,738
Other income	7	58,794	41,286	100,080	91,381
Total income resources		6,846,744	2,888,242	9,734,986	8,951,550
Resources expended					
Cost of generating voluntary income:					
- Fund raising expenses		119,051	-	119,051	58,422
Cost of charitable activities:					
- External contributions		44,685	-	44,685	27,284
- Bursary and scholarship		108,500	-	108,500	71,200
Cost of funds generating activities:					
- Activity and program expenses	8	662,135	1,729,201	2,391,336	2,295,925
Administrative costs	9	1,583,323	1,771,191	3,354,514	3,122,828
Total resources expended		2,517,694	3,500,392	6,018,086	5,575,659
Surplus/(deficit) for the year		4,329,050	(612,150)	3,716,900	3,375,891
Surplus/(deficit) for the year		4,329,050	(612,150)	3,716,900	3,375,891
Fund balances at beginning of year		14,187,981	2,783,368	16,971,349	13,595,458
Transfer (from)/to funds		(546,740)	546,740	-	-
		17,970,291	2,717,958	20,688,249	16,971,349

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 $	2024 $
ASSETS			
Non-current asset			
Plant and equipment	11	813,605	974,189
Total non-current asset		813,605	974,189
Current assets			
Other receivables	12	933,421	959,407
Other assets	13	41,397	23,683
Cash and cash equivalents	14	19,355,416	15,567,699
Total current assets		20,330,234	16,550,789
Total assets		21,143,839	17,524,978
FUNDS AND LIABILITIES			
Unrestricted funds			
General funds	15	17,970,291	14,187,981
Community healthcare funds	15	-	-
Eldercare services and welfare funds	15	2,717,958	2,783,368
Total unrestricted funds		20,688,249	16,971,349
Total funds		20,688,249	16,971,349
Current liabilities			
Other payables	16	362,140	403,326
Other liability	17	93,450	150,303
Total current liabilities/Total liabilities		455,590	553,629
Total funds and liabilities		21,143,839	17,524,978

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Designated Funds		
	General funds $	Community Healthcare Fund $	Eldercare & Services Welfare Fund $	Total $
Current year:				
Opening balance at 1 January 2025	14,187,981	-	2,783,368	16,971,349
Changes in funds:				
Surplus/(deficit) for the reporting year (Note 15)	4,329,050	(912,021)	299,871	3,716,900
Transfer of funds	(546,740)	912,021	(365,281)	-
Closing balance at 31 December 2025	17,970,291	-	2,717,958	20,688,249
Previous year:				
Opening balance at 1 January 2024	10,432,380	-	3,163,078	13,595,458
Changes in funds:				
Surplus/(deficit) for the reporting year (Note 15)	4,412,066	(1,050,553)	14,378	3,375,891
Transfer of funds	(656,465)	1,050,553	(394,088)	-
Closing balance at 31 December 2024	14,187,981	-	2,783,368	16,971,349

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Surplus for the year		3,716,900	3,375,891
Adjustments for:			
Interest income	6	(224,925)	(301,738)
Depreciation of plant and equipment	11	219,285	220,133
Donation in kind received	4	(45,412)	-
Amortisation of deferred grant	17	(56,853)	(63,069)
Operating surplus before changes in working capital		3,608,995	3,231,217
Other receivables		25,986	(450,762)
Other assets		(17,714)	3,540
Trade and other payables		(41,186)	106,988
Cash flows generated from operating activities		3,576,081	2,890,983
Cash flows from investing activities			
Purchase of plant and equipment	11	(13,289)	(34,268)
Interest received		224,925	58,142
Cash flows generated from investing activities		211,636	23,874
Net increase in cash and cash equivalents		3,787,717	2,914,857
Cash and cash equivalents, beginning balance		15,567,699	12,652,842
Cash and cash equivalents at end of the financial year	14	19,355,416	15,567,699

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

1. General information

The Cheng Hong Welfare Service Society (Registration No: T04SS0148G) (the "Society") is a society registered in the Republic of Singapore under the Societies Act 1966. It was granted the status of an Institutions of a Public Character (IPC Registration No. IPC000053) under the Charities Act 1994 until 31 January 2029 subject to renewal. The financial statements are presented in Singapore dollars.

The Management Committee approved and authorised these financial statements for issue on the date of the Statement by Management Committee.

Cheng Hong Welfare Service Society operates a medical centre and nine (2024: ten) Traditional Chinese Medicine ("TCM") clinics island-wide providing pro bono traditional Chinese treatment and medication to the needy. It aims to help all people and relieve the poor, the disadvantaged, the needy, and distressed, without discrimination as to race, language or religion through engagement in charitable and social enterprises. These include the provision of free and subsidised medical treatment and medicine, institutional care, community-based care, free coffins and free burial services, befriending services, rehabilitation services, financial and other types of assistance, as well as the provision of all other charitable services and assistance, and the promotion of education. It also aims to foster friendship and cohesion in the community.

2. Summary of material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRSs") as issued by the Singapore Accounting Standards Council. These financial statements are in compliance with the provisions of the Societies Act 1966 and Charities Act 1994, except as disclosed in the accounting policies below.

The financial statements are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements are presented in Singapore dollar ("S$") which is also the functional currency of the Society.

In the current financial year, the Society has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2025. The adoption of these new and revised FRSs and INT FRSs did not result in changes to the Society's accounting policies, and has no material effect on the current or prior year's financial statements and is not expected to have a material effect on future periods.

2. Summary of material accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRSs and INT FRSs issued but not yet effective:

At the date of authorisation of these statements, the following FRSs and INT FRSs were issued but not yet effective:

FRSs	**Title**	**Effective date (annual periods beginning on or after)**
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
FRS 118	Presentation and Disclosure in Financial Statements	1 January 2027
FRS 109, FRS 107	Amendments to FRS 109 and FRS 107: *Amendments To the Classification and Measurement of Financial Instruments*	1 January 2026
Various	Annual Improvements to FRSs – Volume 11	1 January 2026
FRS 119	Subsidiaries without Public Accountability: Disclosures	1 January 2027
FRS 119	Amendments to FRS 119: Subsidiaries without Public Accountability: Disclosures	1 January 2027
FRS 109, FRS 107	Amendments to FRS 109 and FRS 107: *Contracts Referencing Nature-dependent Electricity*	1 January 2026

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Society does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of FRS 118 Presentation and Disclosure in Financial Statements, will not have a material impact on the financial statements of the Society in the period of their initial adoption.

FRS 118, effective for annual periods beginning on or after 1 January 2027, replaces FRS 1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in financial statements. FRS 118 mandates a new structure for the statement of profit or loss and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. As a consequential result of FRS 118 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing and financing cash flows is also fixed.

FRS 118 will apply retrospectively. The Society is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

2. Summary of material accounting policies (Continued)

2.2 Income recognition

Income is included in the statement of financial activities when the following three factors are met:

i. The Society becomes entitled to the income;
ii. Management is virtually certain that they will receive the income; and
iii. The monetary value can be measured with sufficient reliability.

Donations

Income from donations are accounted for when received, except for committed donations and that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations. Income from fund-raising event is recognised when the event has occurred.

Donations in kind

A donation in kind is 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 donation in kind is recognised if it can be measured reliably and there is no uncertainty that it will be received.

Interest income

Interest income is recognised using the effective interest method.

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.

2.3 Employee leave entitlements

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

2.4 Income tax

As an approved charity under the Charities Act 1994, the Society is exempted from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

2.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

2. Summary of material accounting policies (Continued)

2.5 Plant and equipment (Continued)

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method, on the following bases:

Plant and equipment	3-5 years
Motor Vehicles	10 years
Renovation	10 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Society by the end of the lease term, depreciation is charged over the lease term, using the straight-line method.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of plant and equipment is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2.6 Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is expensed.

2.7 Financial instruments

The Society recognises a financial asset or a financial liability in its statement of financial position when the Society becomes party to the contractual provisions of the instrument.

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position 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. 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. 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.

2. Summary of material accounting policies (Continued)

2.7 Financial instruments (Continued)

Recognition and derecognition of financial instruments (Continued)

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

Classification of financial assets and liabilities

At the end of the reporting year, the Society had the following financial assets and liabilities:

- 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 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, other receivables, bank and cash balances are classified in this category.

- Financial liabilities are classified as at FVTPL in either of the following circumstances: (i) the liabilities are managed, evaluated and reported internally on a fair value basis; or (ii) 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.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and time deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.9 Leases of lessee

At inception of a contract, the Society assessed whether the 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.

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, for such leases, a right-of-use asset is recognised.

2. Summary of material accounting policies (Continued)

2.10 Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in statement of financial activities as they arise.

3. Critical accounting judgements and key sources of estimation uncertainty

The Society made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Society's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Society's accounting policies

In the process of applying the Society's accounting policies, management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that has a significant effect on the amounts of assets and liabilities within the next financial year.

4. Voluntary income

	2025 $	2024 $
Donation income	8,608,644	7,566,502
Donations in kind	45,412	-
	8,654,056	7,566,502

Tax exempt receipts

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the funds of the Society. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget. The IPC status granted to the Society for donations is for the period from 1 February 2024 to 31 January 2026 and is further extended from 1 February 2026 to 31 January 2029.

	2025 $	2024 $
Tax-exempt receipts issued by the Society for donations collected	6,878,652	5,977,371

5. Grant income

	2025 $	2024 $
Government grant income	664,234	835,008
Wages credit scheme and employment credit	28,873	33,235
Jobs growth incentive	62,818	123,686
	755,925	991,929

6. Interest income

	2025 $	2024 $
Interest income from fixed deposits	224,925	301,738

7. Other income

	2025 $	2024 $
Gala dinner sponsorship	57,450	50,000
Others	42,630	41,381
	100,080	91,381

8. Activity and program expenses

	2025 $	2024 $
Event and roadshow expenses	662,135	572,751
Elderly program expenses	783,642	791,598
Funeral service expenses	580,278	537,488
Medical supplies	365,281	394,088
	2,391,336	2,295,925

9. Administrative costs

Included in administrative costs are the following items:

	2025 $	2024 $
Audit fees to independent auditor of the Society	14,000	14,000
Audit-related services fees to independent auditor of the Society	8,000	-
Audit-related services fee to other auditors of the Society	11,985	7,800
Depreciation of plant and equipment (Note 11)	219,285	220,133
Membership and subscription	29,757	37,501
Expense relating to leases of low-value assets	84,413	73,327
Employee benefits expense (Note 10)	2,482,747	2,286,546

10. Employee benefits expense

	2025 $	2024 $
Salaries and related costs	2,199,772	2,005,002
Contributions to defined contribution plan	250,528	241,429
Other benefits	32,447	40,115
	2,482,747	2,286,546

The employee benefits expense includes compensation for key management personnel as disclosed in Note 18.

11. Plant and equipment

	Plant and equipment $	Motor vehicles $	Renovation $	Total $
Cost				
At 1 January 2024	641,931	673,126	876,350	2,191,407
Additions	28,568	-	5,700	34,268
At 31 December 2024	670,499	673,126	882,050	2,225,675
Additions	13,289	45,412	-	58,701
At 31 December 2025	683,788	718,538	882,050	2,284,376
Accumulated depreciation				
At 1 January 2024	404,197	239,391	387,765	1,031,353
Depreciation for the year	86,338	64,556	69,239	220,133
At 31 December 2024	490,535	303,947	457,004	1,251,486
Depreciation for the year	77,778	72,125	69,382	219,285
At 31 December 2025	568,313	376,072	526,386	1,470,771
Carrying amount				
At 31 December 2024	179,964	369,179	425,046	974,189
At 31 December 2025	115,475	342,466	355,664	813,605

The depreciation expenses are charged in the statement of financial activities under:

	2025 $	2024 $
Administrative costs		
General funds	12,323	16,430
Designated funds	206,962	203,703
	219,285	220,133

In addition to the above plant and equipment, the Society occupies an office for back-end operations and various centres used to provide medical services to the needy. These premises are typically leased for periods ranging from 1 to 3 years and may contain an option to extend the lease for a further term or continue on an indefinite basis until further notice. These arrangements are generally on a rent-free basis or low value rental till the end of the lease term. Expense relating to leases of low-value assets are disclosed in Note 9 to the financial statements.

12. Other receivables

	2025 $	2024 $
Donations receivables	431,265	433,526
Refundable deposits	18,041	172,978
Interest receivables	225,582	244,208
Grant receivables	258,533	108,695
	933,421	959,407

Other receivables are unsecured, interest-free, and are repayable on demand. As at 31 December 2025, there are no balances past due and the balances are of low credit risk. Management is of the view that no expected loss allowance is required on these outstanding balances.

13. Other assets

	2025 $	2024 $
Prepayments	41,397	23,683

14. Cash and cash equivalents

	2025 $	2024 $
Cash and bank balances	10,299,208	6,567,699
Time deposits with original maturity of over three months	9,056,208	9,000,000
	19,355,416	15,567,699

The time deposits earn interest at rates ranging 1.1% to 3.75% (2024: from 3.05% to 3.75%) per annum. Maturity periods of the time deposits ranged from 6 to 24 months (2024: 30 to 90 days to 15 months) from the end of the reporting year. The time deposits may be withdrawn on demand and readily converted to known amount of cash with minimal change in value.

15. Fund account transactions and balances

	General funds $	Community Healthcare Fund $	Eldercare Services and Welfare Fund $	Sub-total
Balance as at 1 January 2024	10,432,380	-	3,163,078	13,595,458
Voluntary income	5,376,697	310,328	1,879,477	7,566,502
Grant income	651,804	176,384	163,741	991,929
Interest income	301,738	-	-	301,738
Other income	53,126	-	38,255	91,381
Total income	6,383,365	486,712	2,081,473	8,951,550
Cost of generating voluntary income fund-raising	(58,422)	-	-	(58,422)
Cost of charitable activities	(27,284)	-	-	(27,284)
Bursary and scholarship	(71,200)	-	-	(71,200)
Cost of funds generating activities	(568,601)	(394,088)	(1,333,236)	(2,295,925)
Administrative costs	(1,245,792)	(1,143,177)	(733,859)	(3,122,828)
Transfer (from)/to funds	(656,465)	1,050,553	(394,088)	-
Balance as at 31 December 2024	14,187,981	-	2,783,368	16,971,349
Voluntary income	6,193,531	364,689	2,095,836	8,654,056
Grant income	369,494	241,701	144,730	755,925
Interest income	224,925	-	-	224,925
Other income	58,794	-	41,286	100,080
Total income	6,846,744	606,390	2,281,852	9,734,986
Cost of generating voluntary income fund-raising	(119,051)	-	-	(119,051)
Cost of charitable activities	(44,685)	-	-	(44,685)
Bursary and scholarship	(108,500)	-	-	(108,500)
Cost of funds generating activities	(662,135)	(363,993)	(1,365,208)	(2,391,336)
Administrative costs	(1,583,323)	(1,154,418)	(616,773)	(3,354,514)
Transfer (from)/to funds	(546,740)	912,021	(365,281)	-
Balance as at 31 December 2025	17,970,291	-	2,717,958	20,688,249

Designated Funds

(a) Community healthcare fund serves the purpose to build a healthier community, make healthcare services accessible and affordable to the needy and disadvantaged, and to fund healthcare programmes that are catered to the community. The fund also funds the operations of the medical centres and traditional Chinese medicine (“TCM”) clinics.

15. Fund account transactions and balances (Continued)

(b) Eldercare services and welfare fund serves the purpose to support programmes that help elderly to live well, age gracefully and die with dignity, to fund afterlife memorial services for the needy elderly and to support a wellness centre and volunteer programmes to provide care and services to elderly who are registered with the programme.

16. Other payables

	2025 $	2024 $
Other payables	325,433	377,465
Amount due to a related party	-	4,150
Accrued expenses	36,707	21,711
	362,140	403,326

Amount due to a related party is unsecured, interest-free and is repayable on demand.

Other payables are non-interest bearing and have an average term of 31-60 (2024: 31-60) days according to the terms agreed with the suppliers.

17. Other liability

	2025 $	2024 $
Deferred grant	93,450	150,303

The deferred grant relates to the grant from Singapore government under the care and share movement to encourage firms and people to help the needy. The government has pledged to make a one for one matching grant to the organisation for every dollar raised by the organisation.

The deferred grant relates to donations for capital items. Donations related to depreciable assets are recognised as income over the periods and in the proportions in which depreciation expense on those assets is recognised. Movements in deferred grant are as follows:

	2025 $	2024 $
Balance at beginning of the year	150,303	213,372
Amortised during the year	(56,853)	(63,069)
Balance at end of the year	93,450	150,303

18. Related party transactions and balances

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, or can significantly influence or is significantly influenced by the other party.

A related party includes the committee members 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 which significant voting power in such entity resides with, directly or indirectly, any such individual.

All members of the management committee and staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships 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 management committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no staffs who receive more than $50,000 during the year who are close members of the family of the management committee.

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Significant related party transactions

	Related parties	
	2025	**2024**
	$	**$**
Events expenses charged	33,580	47,762
Elderly program expenses charged	29,578	29,559
Funeral services fees charged	548	3,000
Printing expenses charged	8,369	6,341
Upkeep of motor vehicle	8,025	8,083

Compensation of key management personnel

	2025	**2024**
	$	**$**
Salaries and other short-term employee benefits	136,668	136,010
Number of key management personnel	1	1

Key management personnel include a direct reporting senior member.

19. Reserve policy

The primary objective of the Society's reserves management policy is to ensure that it maintains strong and healthy capital ratios in order to support its operations and potential initiatives. The reserve ratio stands at 3.44 (2024: 3.04) as at the end of reporting date.

The Society targets to maintain an optimum level of accumulated fund which is equivalent to at least one year of its operating expenditure. This excludes restricted funds. The Society regularly reviews and manages its reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Society and capital efficiency, projected income and operating cash flows.

The management regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Society's continuing obligations and to support its operations.

The Society is not subject to externally imposed capital requirements. There were no changes to the Society's approach to reserves management during the year.

20. Financial instruments and financial risks

The main purpose for holding or issuing financial instruments is to raise and manages the finances for the Society's operating and investing activities. The Society's activities expose it to credit risk, market risks (including interest rate risk) and liquidity risk. The Society has undertaken certain practices for the management of financial risks based on acceptable market practices.

There have been no changes to the Society's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The Society maintains positions in a variety of financial instruments in accordance with its investment objectives and guidelines.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. As at the reporting date, the Society's credit risk exposure are other receivables amounting to $933,421 (2024: $959,407) and cash and cash equivalents amounting to $19,355,416 (2024: $15,567,699). The Society considers that its other receivables and cash and cash equivalents have low credit risk because the counterparties are entities with acceptable credit ratings.

The amounts of the ECL on other receivables and cash and cash equivalents was negligible as at 31 December 2025.

Market risk

Market risk is the risk that changes in the market price, such as interest rates, will affect the Society's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

20. Financial instruments and financial risks (Continued)

Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society is not exposed to interest rate risk as the Society does not have significant variable interest-bearing financial instruments.

Liquidity risk

There are no non-current financial liabilities at the end of the reporting year. 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. The average credit period taken to settle trade payables is about 30 days (2024: 30 days). The other payables are with short-term durations.

The Society monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Society's operations and to mitigate the effects of fluctuations in cash flows.

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Note	2025 S$	2024 S$
Financial assets at amortised cost			
Other receivables	12	933,421	959,407
Cash and cash equivalents	14	19,355,416	15,567,699
		20,288,837	16,527,106
Financial liabilities at amortised cost			
Other payables	16	362,140	403,326
		362,140	403,326

21. Fair value of assets and liabilities

The carrying amounts of cash and bank balances, other receivables and other payables approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.