DEMENTIA SINGAPORE LTD

(Co. Reg. No. 202111519K)

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

CONTENTS

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2023.

In the opinion of the directors:

(i) the financial statements as set out on pages 6 to 36 are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967, Singapore Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore; and

(ii) 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.

Directors

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

Allister Brendan Tan Yu Kuan
Bradley Michael Levitt
Chen Shiling
Heng Hiang Teck
Kang Sin Ee, Jasmine
Mok Vanessa Wai Ling
Nicholas Goh Cher Shuie
Noorhazlina Binte Ali
Sia Hwee Lay
Yap Lin Kiat Philip
Yap Pab Chieh

Directors' interests in shares and debentures, and arrangements to enable directors to acquire benefits by means of acquisition of shares and debentures

The Company is a public company limited by guarantee and has no share capital and debentures.

Options

The Company is a public company limited by guarantee. As such, there are no share capital, shares options, debentures or unissued shares under option.

Directors' contractual benefits

No director has received or become entitled to receive benefits by reason of a contract made by the Company with any director or with a form which he is a member, or with a company which he has a substantial interest.

Independent auditor

The independent auditor, Baker Tilly TFW LLP has expressed its willingness to accept re-appointment.

On behalf of the directors

Yap Lin Kiat Philip
Director, Chairperson

Mr Bradley Levitt

Bradley Michael Levitt
Director, Honorary Treasurer

26 September 2023

bakertilly

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEMENTIA SINGAPORE LTD
(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dementia Singapore Ltd (the "Company") as set out on pages 6 to 36, which comprise the balance sheet as at 31 March 2023 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 to 2 and the information included in the Annual Report for the financial year but does not include the financial statements and our auditor's report thereon.

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEMENTIA SINGAPORE LTD
(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements (cont'd)

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 Act 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.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEMENTIA SINGAPORE LTD
(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements (cont'd)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 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 control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

(i) the Company 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

(ii) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:
Baker Tilly
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Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

26 September 2023

DEMENTIA SINGAPORE LTD
(A company limited by guarantee and not having a share capital)

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2023

	Note	**2023[1]** **$**	2022[1] $
Income			
Income from generated funds			
- Donation income	4	**3,621,583**	2,361,327
- Other income	5	**585,646**	244,459
Income from charitable activities			
- Charitable income	6	**1,778,915**	689,566
- Government grants	7	**9,675,821**	5,282,404
Total income		**15,661,965**	8,577,756
Expenditure			
Cost of generating donation income		**1,128,694**	289,172
Cost of provision of charitable activities	8	**13,180,581**	7,104,828
Governance costs		**184,354**	200,411
Finance costs		**28,626**	23,384
Total expenditure		**14,522,255**	7,617,795
Net surplus	9	**1,139,710**	959,961
Transfer from the Association	2	–	6,020,388
Total funds as at end of financial year		**1,139,710**	6,980,349

[1]2022 included 7 months of income and expenses for operations from 1 September 2021 to 31 March 2022. Dementia Singapore Ltd was incorporated on 1 April 2021 but was dormant from 1 April 2021 to 31 August 2021.

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

DEMENTIA SINGAPORE LTD
(A company limited by guarantee and not having a share capital)

BALANCE SHEET
At 31 March 2023

	Note	**2023** $	2022 $
Non-current asset			
Property, plant and equipment	11	**2,266,709**	2,999,112
Current assets			
Trade and other receivables	12	**2,914,589**	2,890,071
Cash and cash equivalents	13	**13,654,807**	9,760,357
		16,569,396	12,650,428
Total assets		**18,836,105**	15,649,540
Non-current liabilities			
Deferred capital grants and donations	14	**949,674**	1,212,292
Lease liabilities	15	**240,018**	732,717
		1,189,692	1,945,009
Current liabilities			
Deferred capital grants and donations	14	**434,396**	398,594
Lease liabilities	15	**492,488**	490,471
Trade and other payables	16	**2,112,263**	1,135,654
Deferred grants and donations	17	**6,326,739**	4,538,995
Provisions	19	**160,468**	160,468
		9,526,354	6,724,182
Total liabilities		**10,716,046**	8,669,191
Net assets		**8,120,059**	6,980,349
Funds			
Unrestricted funds		**8,163,870**	6,867,350
Restricted funds	18	**(43,811)**	112,999
Total funds		**8,120,059**	6,980,349

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

DEMENTIA SINGAPORE LTD
(A company limited by guarantee and not having a share capital)

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 March 2023

	Unrestricted fund	← Restricted funds	→	
	General fund	Assisted Living Facility fund (Note 18)	Programme reserves fund (Note 18)	Total
	$	$	$	$
Balance at 1 April 2021 (date of incorporation)	–	–	–	–
Transfer from the Association (Note 2)	5,771,456	254,358	(5,426)	6,020,388
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year	1,095,894	(167,036)	31,103	959,961
Balance at 31 March 2022	6,867,350	87,322	25,677	6,980,349
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year	1,296,520	(87,322)	(69,488)	1,139,710
Balance at 31 March 2023	**8,163,870**	**–**	**(43,811)**	**8,120,059**

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

DEMENTIA SINGAPORE LTD
(A company limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2023

	2023	2022
	$	$
Cash flows from operating activities		
Net surplus	**1,139,710**	959,961
Adjustments for:		
Amortisation of deferred capital grants and donations	**(427,286)**	(225,350)
Bad debts written off	**193**	3,917
Depreciation of property, plant and equipment	**978,629**	546,587
Gain on derecognition of right-of-use assets and lease liabilities	**–**	(5,486)
Interest income	**(147,372)**	(13,114)
Interest expenses	**28,626**	23,384
Operating cash flows before movements in working capital	**1,572,500**	1,289,899
Trade and other receivables	**93,973**	1,549,271
Trade and other payables	**976,609**	(322,735)
Deferred grants and donations	**1,787,744**	(3,239,033)
Net cash generated from/(used in) operating activities	**4,430,826**	(722,598)
Cash flows from investing activities		
Interest received	**28,688**	13,114
Receipt of capital grants and donations	**200,470**	191,787
Purchase of property, plant and equipment	**(246,226)**	(133,110)
Net cash (used in)/generated from investing activities	**(17,068)**	71,791
Cash flows from financing activities		
Interest paid	**(28,626)**	(23,384)
Payment of lease liabilities	**(490,682)**	(259,586)
Fixed deposit pledged	**–**	(35,000)
Net cash used in financing activities	**(519,308)**	(317,970)
Net increase/(decrease) in cash and cash equivalents	**3,894,450**	(968,777)
Cash and cash equivalents at the beginning of the financial year	**9,725,357**	–
Transfer from the Association (Note 2)	**–**	10,694,134
Cash and cash equivalents at the end of the financial year	**13,619,807**	9,725,357
Pledged fixed deposit	**35,000**	35,000
Cash and cash equivalents at the end of the financial year as presented on the balance sheet (Note 13)	**13,654,807**	9,760,357

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

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

1. General information

The Company (Co. Reg. No. 202111519K) is incorporated and domiciled in Singapore. The address of its registered office is at 20 Bendemeer Road, #01-02 BS Bendemeer Centre, Singapore 339914. The Company was registered as a charity on 11 August 2021 and is granted Institution of a Public Character ("IPC") status for the financial period from 11 August 2021 to 31 December 2024.

The comparative financial statements cover the reporting period since incorporation on 1 April 2021 to 31 March 2022 but was dormant from 1 April 2021 to 31 August 2021 before the transfer of operations from Alzheimer's Disease Association as disclosed in Note 2. Hence, the comparative figures under the statement of comprehensive income cover 7-month income and expenses of operations from 1 September 2021 to 31 March 2022.

The principal objective of the Company is to improve the well-being of people impacted by dementia through Care Innovation, Advocacy and Empowerment.

2. Transfer of funds from Alzheimer's Disease Association

In the previous financial year, Alzheimer's Disease Association (the "Association") transferred its operations to the Company on 1 September 2021. On 1 September 2021, the Association signed an agreement with the Company to transfer its operations, employees, fundings and all other agreements of the Association as well as all of the assets and liabilities of the Association with effect from 1 September 2021. Assets and liabilities of the Association were transferred to the Company at their book values at $Nil consideration. Property, plant and equipment were transferred at cost from the Association to the Company together with the accumulated depreciation. The transfer enables the Company to carry on with existing operations and activities of the Association.

Pursuant to the agreement dated on 1 September 2021, the following funds were transferred from the Association to the Company on 1 September 2021:

	$
Funds	
Unrestricted funds	5,771,456
Restricted funds	248,932
	6,020,388

2. Transfer of funds from Alzheimer's Disease Association (cont'd)

The funds transferred from the Association to the Company on 1 September 2021 were represented by the following assets and liabilities:

	$
Non-current asset	
Property, plant and equipment	3,704,799
Current assets	
Trade and other receivables	4,443,259
Cash and cash equivalents	10,694,134
	15,137,393
Total assets	18,842,192
Non-current liabilities	
Deferred capital grants and donations	1,386,371
Lease liabilities	1,498,540
	2,884,911
Current liabilities	
Deferred capital grants and donations	258,078
Lease liabilities	281,930
Trade and other payables	1,458,389
Deferred grants and donations	7,778,028
Provisions	160,468
	9,936,893
Total liabilities	12,821,804
Net assets	6,020,388

3. Summary of significant accounting policies

a) Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs").

Functional and presentation currency

These financial statements are presented in Singapore dollars ("S$"), which is the Company's functional currency.

3. Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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.

Information about critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 15 - lease term on whether the Company is reasonably certain to exercise an extension option.

Changes in accounting policies

New and revised standards that are adopted

In the current financial year, the Company has adopted all the new and revised FRSs that are relevant to its operations and effective for the current financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs.

The adoption of these new/revised FRS does not have a material effect on the financial statements of the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements.

b) Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables 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 or grant receivable without a significant financing component is initially measured at the transaction price.

3. Summary of significant accounting policies (cont'd)

b) Financial instruments (cont'd)

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, financial assets are classified as measured at amortised cost.

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.

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

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 and impairment are recognised in income and expenditure. Any gain or loss on derecognition is recognised in income and expenditure.

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 income and expenditure. Directly attributable transaction costs are recognised in income and expenditure 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 income and expenditure.

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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which 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.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets.

3. Summary of significant accounting policies (cont'd)

b) Financial instruments (cont'd)

Derecognition (cont'd)

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 income and expenditure.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet 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.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with maturities of three months or more 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 excluding pledged deposits.

d) 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. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

If significant 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in income and expenditure.

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 component 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 income and expenditure as incurred.

3. Summary of significant accounting policies (cont'd)

d) Property, plant and equipment (cont'd)

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 income and expenditure 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.

Depreciation is recognised from the date that the property, plant, and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives are as follows:

• Leasehold buildings	Over the lease terms of 4 to 6 years
• Furniture and fittings	5 years
• Motor vehicles	10 years
• Clinical and office equipment	5 years
• Renovation	5 to 10 years

Property, plant and equipment in the course of construction are carried at cost, less any recognised impairment loss until construction is completed. Cost includes professional fees. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

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

e) 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.

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 operating premises, 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.

3. Summary of significant accounting policies (cont'd)

e) Leases (cont'd)

As a lessee (cont'd)

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, plant 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 estimated useful lives for the right-of-use assets are as follows:

• Leasehold buildings	Over the lease terms of 4 to 6 years
• Clinical and office equipment	5 years

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.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

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 income and expenditure if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in property, plant and equipment, and lease liabilities in the balance sheet.

Short-term leases and 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 and short-term leases, including office equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

f) Impairment

i) *Non-derivative financial assets*

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

3. Summary of significant accounting policies (cont'd)

f) Impairment (cont'd)

i) *Non-derivative financial assets (cont'd)*

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.

Simplified approach

The Company applies the simplified approach to provide for ECLs for 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 assesses 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).

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.

3. Summary of significant accounting policies (cont'd)

f) Impairment (cont'd)

i) *Non-derivative financial assets (cont'd)*

Credit-impaired 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;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the balance sheet

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 asset's recoverable amount is 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.

Impairment losses are recognised in income and expenditure.

Impairment losses recognised in prior financial years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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. Summary of significant accounting policies (cont'd)

g) 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 plans are recognised as an employee benefit expense in income and expenditure 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 or profit-sharing plans 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.

h) Provisions

Items in the financial statements comprise of reinstatement costs for office premise and centres. 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. 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. The unwinding of the discount is recognised as finance cost.

i) Funds

The funds held by the Company are unrestricted and restricted in nature.

The unrestricted fund comprises General fund.

The restricted funds are represented by Assisted Facility Living fund and Programme reserves fund.

General funds can be used in accordance with the charitable objectives of the Company at the discretion of the directors.

j) Incoming resources

Donation income

Donation income are recognised in income and expenditure in the period of receipt.

Donations with restriction and/or conditions attached shall be recognised as income if the restrictions and conditions are under the Company's purview and it is probable that these restrictions and conditions would be met.

Programme income

Programme income is recognised when the Company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

3. Summary of significant accounting policies (cont'd)

j) Incoming resources (cont'd)

Programme income (cont'd)

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocation of the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all of the POs if it relates to those POs.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services. The transaction price is fixed.

Revenue is recognised over time following the timing of satisfaction of the PO.

Programme income comprises rendering of day-care and transport services, caregiver support services and trainings.

Interest income

Interest income is recognised using the effective interest method.

k) Government and other grants

Government and other grants are accounted for on an accrual basis in the balance sheet when there is reasonable assurance that the Company has complied with all the terms and conditions attached to the grant and that 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 donations. The deferred capital donation is amortised over the useful life of the property, plant and equipment by crediting to income and expenditure 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. These grants are then recognised in income and expenditure as government and other grants income when the Company complied with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred are recognised as income in income and expenditure in the same periods in which the expenses are incurred.

l) Finance cost

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability.

m) Taxation

The Company is a registered charity under the Charities Act 1994 and is exempted from tax on income and gains falling within Section 13(1)(zm) of the Income Tax Act 1947 to the extent that these are applied to its charitable objects. No tax charges have arisen for the Company during the financial period.

4. Donation income

Donations received during the financial year are included as follows:

	2023 $	2022 $
Voluntary donations	**2,875,666**	2,162,563
Income from fund generating activities	**745,917**	198,764
	3,621,583	2,361,327

During the financial year, the donations received comprise tax-deductible and non-tax-deductible donations of $1,549,912 and $2,071,671 (2022: $1,183,716 and $1,177,611) respectively.

5. Other income

	2023 $	2022 $
Amortisation of deferred capital grants and donations	**427,286**	225,350
Interest income	**147,372**	13,114
Gain on derecognition of right-of-use assets and lease liabilities	**–**	5,486
Others	**10,988**	509
	585,646	244,459

6. Charitable income

	2023 $	2022 $
Day-care and transport services, caregiver support services, trainings and consultancy	**1,778,915**	689,566

7. Government grants

		2023 $	2022 $
Ministry of Health (“MOH”)		**1,670,476**	830,825
Agency for Integrated Care (“AIC”)		**3,178,134**	1,443,739
National Council of Social Service (“NCSS”)		**286,597**	233,401
Community Silver Trust Grant	(i)	**3,308,500**	1,243,543
Manpower Grants	(ii)	**984,042**	1,258,060
Other Government Grants		**248,072**	272,836
		9,675,821	5,282,404

7. Government grants (cont'd)

(i) Funding from Community Silver Trust ("CST") - matching grant from government to enhance the services of the intermediate and long-term care ("ILTC") sector. From financial year 2014, eligible Voluntary Welfare Organisations ("VWO") are allowed to utilise the CST matching grant for recurrent operating expenses, based on 40% of eligible donation received in preceding year and to be utilised within 2 years.

(ii) Manpower grant mainly included:

- Funding from Ministry of Finance ("MOF") - COVID-19 support measures comprising grants from Jobs Growth Incentive of $NIL (2022: $415,202).
- Funding from AIC Community Care Salary Enhancement ("CCSE") of $473,084 (2022: $409,129) to ensure salaries remain competitive vis à vis the public healthcare institutions ("PHIs").

8. Cost of provision of charitable activities

	2023	2022
	$	$
Staff costs	**10,587,411**	5,467,819
Depreciation of property, plant, and equipment	**943,321**	527,444
Equipment expenditure	**61,696**	176,302
IT and communication expenses	**334,027**	146,000
Transport services	**157,611**	120,728
Refreshments	**146,209**	101,243
Rental and utilities	**123,146**	65,499
Professional fees	**47,073**	62,504
Training and consultancy expenses	**80,071**	57,030
Maintenance expenses	**117,025**	47,627
Office supplies	**18,494**	24,255
Other operating expenses	**564,497**	308,377
	13,180,581	7,104,828

9. Surplus for the financial year

The following items have been included in arriving at surplus for the financial year:

	2023	2022
	$	$
Rental expenses - short term leases (Note 15)	**48,702**	28,409
Bad debt written off	**193**	3,917
Staff costs (Note 10)	**11,335,791**	5,827,529

10. Staff costs

	2023	2022
	$	$
Salaries, bonus and other costs	**9,977,692**	5,128,399
Employer's Central Provident Fund ("CPF") and Skills Development Levy ("SDL") contribution	**1,358,099**	699,130
	11,335,791	5,827,529

Included in the costs are compensation paid to 8 (2022: 9) key management personnel (senior management team) who have authority and responsibility for planning, directing, and controlling the activities directly or indirectly of the Company:

	2023	2022
	$	$
Salaries, bonus and other costs	**1,458,851**	857,726
Employer's CPF and SDL contribution	**159,598**	95,292
	1,618,449	953,018

11. Property, plant and equipment

	Leasehold building $	Furniture and fittings $	Motor vehicles $	Clinical and other equipment $	Renovation $	Work-in-progress $	Total $
Cost							
At 1.4.2021 (date of incorporation)	–	–	–	–	–	–	–
Transfer from the Association (Note 2)	2,736,427	64,747	285,883	959,886	2,780,372	–	6,827,315
Additions	–	–	–	124,850	8,260	–	133,110
Write-off	–	(4,685)	–	–	–	–	(4,685)
Derecognition	(338,535)	–	–	–	–	–	(338,535)
At 31.3.2022	2,397,892	60,062	285,883	1,084,736	2,788,632	–	6,617,205
Additions	–	–	–	29,079	5,100	212,047	246,226
Write-off	–	(3,831)	–	–	–	–	(3,831)
Reclassification	–	10,000	–	144,600	18,547	(173,147)	–
At 31.3.2023	**2,397,892**	**66,231**	**285,883**	**1,258,415**	**2,812,279**	**38,900**	**6,859,600**
Accumulated depreciation							
At 1.4.2021 (date of incorporation)	–	–	–	–	–	–	–
Transfer from the Association (Note 2)	1,037,236	47,930	144,385	420,824	1,472,141	–	3,122,516
Depreciation charge	273,654	4,504	16,676	82,446	169,307	–	546,587
Write-off	–	(4,685)	–	–	–	–	(4,685)
Derecognition	(46,325)	–	–	–	–	–	(46,325)
At 31.3.2022	1,264,565	47,749	161,061	503,270	1,641,448	–	3,618,093
Depreciation charge	469,121	8,073	27,434	182,468	291,533	–	978,629
Write-off	–	(3,831)	–	–	–	–	(3,831)
At 31.3.2023	**1,733,686**	**51,991**	**188,495**	**685,738**	**1,932,981**	**–**	**4,592,891**
Net carrying value							
At 31.3.2022	1,133,327	12,313	124,822	581,466	1,147,184	–	2,999,112
At 31.3.2023	**664,206**	**14,240**	**97,388**	**572,677**	**879,298**	**38,900**	**2,266,709**

11. Property, plant and equipment (cont'd)

Included in property, plant and equipment are right-of-use assets of $678,987 (2022: $1,154,224) relating to leasehold building and office equipment as at reporting date. Right-of-use assets are disclosed in Note 15.

Depreciation is charged and included in the respective expenses categories as follows:

	Note	**2023** **$**	2022 $
General funds			
- Cost of provision of charitable activities		**921,237**	508,540
- Cost of generating donation income		**30,090**	14,027
- Governance costs		**5,218**	5,116
		956,545	527,683
Restricted funds			
- Assisted Living Facility Fund	18(b)	**10,007**	11,519
- Specialised Caregiver Support Service (Dementia) Community Chest Grant	18(c)	**12,077**	7,385
		22,084	18,904
Total depreciation		**978,629**	546,587

12. Trade and other receivables

	2023 **$**	2022 $
Trade receivables [(a)]	**242,075**	163,209
Deposit	**157,914**	160,115
Other receivables	**154,227**	64,213
Grant receivables	**2,297,231**	2,463,876
Prepayments	**63,142**	38,658
	2,914,589	2,890,071

Included in grant receivables are receivables from:

- AIC	**1,779,420**	1,182,966
- Ministry of Finance ("MOF")	**258,985**	413,734
- MOH	**172,686**	640,242
- NCSS	**86,140**	144,794
- Others	–	82,140
	2,297,231	2,463,876

[(a)] Bad debts written off of $193 (2022: $3,917) was recognised in the income and expenditure under cost of provision of charitable activities.

13. Cash and cash equivalents

	2023	2022
	$	$
Cash in hand	**8,863**	8,228
Bank and cash balances	**1,995,909**	4,217,129
Fixed deposits	**11,650,035**	5,535,000
	13,654,807	9,760,357

14. Deferred capital grants and donations

	2023	2022
	$	$
Balance at beginning of financial year	**1,610,886**	–
Add: Transfer from the Association (Note 2)	**–**	1,644,449
Additions during the financial year	**200,470**	191,787
Amortisation during the financial year	**(427,286)**	(225,350)
Balance at end of financial year	**1,384,070**	1,610,886
Classified as:		
Non-current	**949,674**	1,212,292
Current	**434,396**	398,594
	1,384,070	1,610,886

The deferred capital grants and donations are established for grants and/or donated assets. It is amortised over the useful life of the related property, plant, and equipment to match the related depreciation of the property, plant and equipment in income and expenditure.

15. Lease liabilities

	2023	2022
	$	$
Non-current	**240,018**	732,717
Current	**492,488**	490,471
	732,506	1,223,188

Nature of the Company's leasing activities

The Company leases leasehold building and office equipment from non-related parties with a tenure of 4 to 6 years, of which 2 leases having an option to renew the lease. The leases are transferred from the Association on 1 September 2021 as disclosed in Note 2.

In addition, the Company leases premises with no contractual terms. These leases are short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 21(b).

15. Lease liabilities (cont'd)

Information about lease for which the Company is a lessee is presented below:

Amounts recognised in Balance Sheet

	2023 **$**	2022 $
Classified within property, plant and equipment		
Carrying amount of right-of-use assets (Note 11)		
Leasehold building	**664,206**	1,133,327
Clinical and other equipment	**14,781**	20,897
	678,987	1,154,224
Write-off of right-of-use assets		
Leasehold building	**–**	292,210

Amounts recognised in Income and Expenditure

	2023 **$**	2022 $
Depreciation charge for the financial year		
Leasehold building	**469,121**	273,654
Clinical and other equipment	**6,116**	3,568
	475,237	277,222
Lease expenses not included in the measurement of lease liabilities		
Lease expense - short-term leases	**48,702**	28,409
Interest expense on lease liabilities	**28,626**	23,384

Total cash flow for leases amounted to $568,010 (2022: $311,379).

Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases of leasehold building and office equipment contain extension options, for which the related lease payments had not been included in the lease liabilities as the Company is not reasonably certain to extend the lease. The Company reassess whether it is reasonably certain to exercise the options if there is a significant event or changes in circumstances within its control.

The Company has estimated that the potential future lease payment, should it exercise the extension option, would result in an increase in lease liability of $1,212,989 (2022: $1,183,141).

15. Lease liabilities (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2023 **$**	2022 $
Balance at beginning of financial year	**1,223,188**	–
Changes from financing cash flows:		
- Repayments	**(490,682)**	(259,586)
- Interest paid	**(28,626)**	(23,384)
Non-cash changes:		
- Transfer from the Association (Note 2)	–	1,780,470
- Interest expense	**28,626**	23,384
- Derecognition	–	(297,696)
Balance at end of financial year	**732,506**	1,223,188

16. Trade and other payables

	2023 **$**	2022 $
Trade payables	**112,504**	141,934
Accruals	**1,878,671**	891,815
Other payables	**82,166**	82,361
Output goods and services tax payables, net	**38,922**	19,544
	2,112,263	1,135,654

17. Deferred grants and donations

	2023 **$**	2022 $
Deferred grants:		
- CST (a)	**4,109,703**	1,437,555
- MOH (b)	**68,470**	120,842
- NCSS (c)	**121,923**	235,210
- AIC	**211,708**	–
- Other grants	–	46,635
Deferred donation		
- Lien Foundation (d)	**761,732**	1,485,969
- Musim Mas	**254,600**	275,610
- Star Charity Luncheon 2019	**101,992**	151,818
- Golden Time Ltd	–	150,000
- The HEAD Foundation	**76,223**	144,211
- Chen Su Lan Trust	**80,000**	92,588
- Lee Foundation	–	64,066
- SNL Logistics	–	63,620
- Lee Foundation	–	40,882
- President's Challenge (e)	**30,000**	73,359
- Keppel Care Foundation	**315,248**	–
- Other donations	**195,140**	156,630
	6,326,739	4,538,995

17. Deferred grants and donations (cont'd)

(a) The funding from CST is a matching grant from government to enhance the capabilities and capacities of services of voluntary welfare organisations in the Intermediate and Long-Term Care sector. The fund is to be utilised in accordance with the purpose established for the grant. In general, the grant is to be fully utilised within five years.

Movement of deferred -grant - CST for the financial year is as follows:

	2023 **$**	2022 $
Balance at beginning of financial year/date of incorporation	**1,437,555**	–
Add: Transfer from the Association	**–**	2,674,599
Add: Receipt from CST	**6,017,437**	–
Less: Utilised for qualifying expenses	**(3,308,500)**	(1,220,884)
Less: Utilised to purchase property, plant and equipment and transferred to deferred capital grant during the financial year	**(36,789)**	(16,160)
Balance at end of financial year	**4,109,703**	1,437,555

Expenses incurred include the following:

Music therapy	**22,400**	–
Dementia Friendly Community-Education	**268,035**	117,518
Meeting Centre Support Programme	**354,646**	144,496
Virtual Reality for Dementia Training	**130,114**	38,957
Dementia Membership	**339,259**	150,468
Dementia Hub	**210,871**	108,921
Assisted Living	**42,139**	–
Integrated Care Services	**544,800**	–
Recurrent Operating Expenses	**1,396,236**	660,524
	3,308,500	1,220,884

(b) Deferred grant from MOH is a One-Time Capital Funding for Dementia Friendly Improvement Works programme for the Company's New Horizon Centres.

(c) Majority of the deferred grant of NCSS represents unutilised funds received for:

- Voices for Hope funding amounting to $78,645 (2022: $60,587) to empower persons with dementia and their caregivers to step up and speak up as advocates to promote greater acceptance of individuals, who are coping with dementia.
- Care & Share funding receivable amounted to $17,951 (2022: $57,567) is to strengthen the Company's Volunteer Management capacity with a dedicated headcount, and to complement the national re-employment strategy. This funding is to be utilised in accordance with the purpose established for the grant and is for two years.
- Organisation Development Transformation funding amounting to Nil (2022: $11,266) serves to improve recognised national health of social purpose entities to be effective in delivering quality, innovative and sustainable solutions. It aims to increase the capacity and capability striving towards improved organisational processes and outcomes.

17. Deferred grants and donations (cont'd)

(d) Funding from Lien Foundation is to fund the following:

- Post Diagnostic Support Programme; and
- Digital Dementia Care.

Movement of deferred donation - Lien Foundation for the financial year is as follows:

	2023	2022
	$	$
Balance at beginning of financial year/date of incorporation	**1,485,969**	–
Add: Transfer from the Association	**–**	1,829,165
Less: Utilised during the financial year		
- Post Diagnostic Support Programme*	**(724,237)**	(338,579)
- Digital Dementia Care Project*	**–**	(4,617)
Balance at end of financial year	**761,732**	1,485,969

* Included within cost of provision of charitable activities.

(e) Funding from President's Challenge is disbursed by NCSS to fund the following:

- Art Therapy for our dementia daycare centres; and
- Dementia Membership and Digital Dementia Care.

Movements of deferred donation - President's Challenge during the financial year is as follows:

	2023	2022
	$	$
Balance at beginning of financial year/date of incorporation	**73,359**	–
Add: Transfer from the Association	**–**	46,269
Add: Receipts from NCSS		
- Dementia Membership	**–**	53,200
- Digital Dementia Care	**–**	39,900
Less: Utilised during the financial year		
- Art Therapy	**(19,359)**	(2,510)
- Dementia Membership	**(24,000)**	(45,500)
- Digital Dementia Care	**–**	(18,000)
Balance at end of financial year	**30,000**	73,359

18. Restricted funds

	2023 $	2022 $
Assisted Living Facility fund	–	87,322
Programme reserves		
- Specialised Caregiver Support Services (Dementia)		
- Community Chest Grant	**(75,752)**	(35,497)
- Voices for Hope	**31,941**	61,174
Balance at end of financial year	**(43,811)**	112,999

Assisted Living Facility fund

	2023 $	2022 $
Balance at beginning of financial year/date of incorporation	**87,322**	–
Add: Transfer from the Association	–	254,358
Deficit for the financial year	**(87,322)**	(167,036)
Balance at end of financial year	–	87,322

Programme reserves

Specialised Caregiver Support Services (Dementia) – Community Chest Grant

	2023 $	2022 $
Balance at beginning of financial year/date of incorporation	**(35,497)**	–
Add: Transfer from the Association	–	(6,476)
Deficit for the financial year	**(40,255)**	(29,484)
Offset against ending balance of The Invictus Fund [1]	–	463
Balance at end of financial year	**(75,752)**	(35,497)

[1] The offset amount was carried forward from 2020 and approval from NCSS has been sought for during the financial year.

Voices for Hope

	2023 $	2022 $
Balance at beginning of financial year/date of incorporation	**61,174**	–
Add: Transfer from the Association	–	587
(Deficit)/surplus for the financial year	**(29,233)**	60,587
Balance at end of financial year	**31,941**	61,174

18. Restricted funds (cont'd)

a) The purposes of the restricted funds are set out below:

- *Assisted Living Facility fund*

  The fund is a restricted fund for the purpose of setting up an Assisted Living Facility for people with dementia. The amount included donations generated from a Charity Gala Dinner in 2015 and during the financial year ended 31 March 2020, the Management Committee has obtained MOH's approval for an extension of usage of the donations.

  During the financial year, 4 units (2022: 4 units) of rental flat were leased from HDB under the Assisted Living Facility.

- *Programme reserves*

  The reserves are restricted for the operations of the programmes only, for the benefit of its intended clients, in keeping with the funder's/donor's intent for the use of monies. The reserves will not be transferred out of the programme for other purposes. Shortfalls in the reserves are being covered by the General fund.

b) Statement of income and expenditure for Assisted Living Facility Fund

	2023 **$**	2022 $
Statement of income and expenditure		
Income		
Government grant	–	6,679
Donation	**9,309**	36,380
	9,309	43,059
Less: Expenditure		
Manpower costs	**(64,875)**	(104,395)
Renovation	–	(38,914)
Conservancy and utilities charges	**(2,226)**	(2,366)
Volunteers - appreciation costs	**(12,446)**	(11,489)
Groceries and refreshment	**(2,759)**	(3,967)
Repair and maintenance	**(678)**	(4,260)
Office costs	**(1,254)**	(964)
Stationery	**(310)**	(343)
Sundry expenses	**(506)**	(2,463)
Depreciation of property, plant and equipment	**(10,007)**	(11,519)
Support allocations	–	(28,827)
Transport	**(934)**	(588)
Communications	**(437)**	–
IT related software	**(199)**	–
	(96,631)	(210,095)
Deficit from Assisted Living Facility Fund	**(87,322)**	(167,036)

18. Restricted funds (cont'd)

c) Statement of income and expenditure for Programme reserves

Specialised Caregiver Support Services (Dementia) - Community Chest Grant

	2023 $	2022 $
Statement of income and expenditure		
Income		
Programme funding - NCSS Community Chest Grant	**145,488**	84,682
Programme funding - NCSS ODT	–	7,816
AIC funding - CCMDA	**12,812**	2,552
Donations	**8,384**	(2,604)
Manpower Grant	**6,501**	5,527
Other income	**3,483**	1,777
	176,668	99,750
Less: Expenditure		
Manpower costs	**(178,420)**	(81,704)
Maintenance	**(9,717)**	(8,479)
Utilities	**(612)**	(1,912)
Depreciation of property, plant and equipment	**(12,077)**	(7,385)
Communications	**(328)**	(263)
Sundry expenses	**(636)**	(664)
Support cost allocations	**(15,133)**	(28,827)
	(216,923)	(129,234)
Deficit from Specialised Caregiver Support Services (Dementia) - Community Chest Grant	**(40,255)**	(29,484)

Voices for Hope

	2023 $	2022 $
Statement of income and expenditure		
Income		
Programme funding- Tote Board Social Service Funding	**78,645**	130,912
Less: Expenditure		
Groceries and refreshment	**(256)**	(123)
Manpower cost	**(93,786)**	(46,004)
Booking of venue for graduation	**(2,413)**	(1,561)
Evaluation fees	**(2,000)**	(16,000)
Trainer's fees	**(3,300)**	(3,075)
Sundry expenses	**(991)**	(493)
Transportation	**(142)**	(249)
Office cost	**(4,633)**	(2,820)
Communications	**(357)**	–
	(107,878)	(70,325)
(Deficit)/surplus from Voices for Hope	**(29,233)**	60,587

19. Provisions

	2023	2022
	$	$
Provision for reinstatement costs	**160,468**	160,468

The movements in the provision for reinstatement costs are as follows:

Balance at beginning of financial year/date of incorporation	**160,468**	–
Add: Transfer from the Association (Note 2)	**–**	160,468
Balance at end of financial year	**160,468**	160,468

20. Related party transactions

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related party, during the financial year on terms agreed by the party concerned:

	2023	2022
	$	$
Consultancy fees paid to a director for Post Diagnostic Support Program	**500**	500

(b) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The directors and members of the Senior Management Team are considered as key management personnel of the Company. The directors of the Company render their services on a voluntary basis. None of the directors, or their close family members have received any remuneration, benefits, allowances or other manner of compensation from the Company. However, members of the Senior Management Team received remuneration that is approved by the directors. Details of the key management personnel compensation is disclosed in Note 10.

21. Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2023	2022
	$	$
Financial assets		
At amortised cost	**16,506,254**	12,611,770
Financial liabilities		
At amortised cost	**2,799,943**	2,335,137

21. Financial instruments (cont'd)

b) Risk management framework

The directors have 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 directors.

Interest rate risk

The Company's income is substantially independent of changes in market interest rates. The Company's interest-bearing financial instruments relate primarily to its fixed deposits placed with financial institutions which carry fixed interest rates. As such, fluctuations in market interest rates do not have any significant effect on the Company's cash flows. Sensitivity analysis is not performed as the impact to the financial statements is insignificant.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents, trade and other receivables. For cash and cash equivalents, the Company places its cash with reputable banks.

The Company does not have any significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the balance sheet.

Financial assets at amortised cost

Financial assets at amortised cost includes trade and other receivables (excluding prepayments) and cash and cash equivalents.

Credit risk exposure in relation to financial assets at amortised cost as at 31 March 2023 and 31 March 2022 are insignificant, and accordingly no credit loss allowance is recognised as at 31 March 2023 and 31 March 2022.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Repayable on demand or within one year $	Within two to five years $	More than five years $	Total $
31.3.2023				
Trade and other payables	**2,067,437**	**–**	**–**	**2,067,437**
Lease liabilities	**506,513**	**243,700**	**–**	**750,213**
	2,573,950	**243,700**	**–**	**2,817,650**

21. Financial instruments (cont'd)

b) Risk management framework (cont'd)

Liquidity risk (cont'd)

	Repayable on demand or within one year $	Within two to five years $	More than five years $	Total $
31.3.2022				
Trade and other payables	1,111,949	–	–	1,111,949
Lease liabilities	519,330	749,369	844	1,269,543
	1,631,279	749,369	844	2,381,492

c) Fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to relatively short-term nature of these financial instruments.

22. Reserves management

The purposes of maintaining the reserves are:

(a) For the setting up of new Centres for persons with dementia;
(b) Funding the operations; and
(c) Funding new projects undertaken for the benefit of persons with dementia and caregivers.

The Company shall aim to maintain unrestricted reserves that is equivalent to at least 6 months of its operating expenses. This is so that the Company can ensure continuity in providing the necessary services to its beneficiaries.

With the unanimous approval of the directors, the Company can draw down from its unrestricted reserves to meet its operating expenses to ensure ongoing services are not disrupted.

On an annual basis, the directors review the amount of reserves that is required to ensure that they are adequate to fulfil the continuing obligations of the Company.

23. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors dated 26 September 2023.