LIFE COMMUNITY SERVICES SOCIETY

UEN No. S96SS0100H

FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2026

LIFE COMMUNITY SERVICES SOCIETY
UEN No. S96SS0100H

REPORT OF THE AUDITORS AND FINANCIAL STATEMENTS

C O N T E N T S

STATEMENT BY THE EXECUTIVE COUNCIL

In the opinion of the Executive Council:

(a) the accompanying financial statements set out on pages 6 to 34 are drawn up in accordance with the provisions of the Societies Act 1966, Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore; so as to present fairly, in all material respects, the financial position of Life Community Services Society (the "Society") as at 31 March 2026 and of the financial performance, changes in funds and cash flows of the Society for the financial 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.

Reserve Policy

The Society's Reserve Policy is to retain not more than 3 years of its annual operating expenditure.

Management of Conflict of Interest

There is no Board member who is remunerated.

Board members are required to disclose to the Board:

i) Any interest that the Board member may have, whether directly or indirectly, in any contracts or business transactions of whatever nature that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with (whether as a joint venture partner or otherwise); and

ii) Any personal interest accruing to the Board member as one of the Society's suppliers, users of services or beneficiaries.

The affected Board member may not vote on the issue that was the subject matter of the disclosure nor participate in discussions relating to the same save that he may provide explanation or clarification of his interest in the said issue if this should be required by the Board. The minutes of this particular meeting will clearly document the disclosure made as well as the basis for arriving at the final decision in relation to the issue at stake.

Management of Conflict of Interest (Cont'd)

The Executive Council Members, comprising the following, authorise the issuance of these financial statements:

Chairman	Mr Nicholas Goh Cher Shuie
Vice Chairman	Ms Ng Mi Li
Honorary Secretary	Mr Wong Raymond
Honorary Treasurer	Ms Dawn Tan Ly-Ru
Honorary Assistant Treasurer	Ms Esther Khor Chen Chen
Council Member	Ms Ashley Low

On behalf of the Executive Council

Signed by:
Nicholas
AA6FBD8108E24A1...

....
Nicholas Goh Cher Shuie
Chairman

Signed by:
Dawn
552AA831A6CC4C2...

....
Dawn Tan Ly-Ru
Honorary Treasurer

SINGAPORE
13 July 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
<u>LIFE COMMUNITY SERVICES SOCIETY</u>
UEN No. S96SS0100H

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Life Community Services Society (the "Society"), which comprise the statement of financial position as at 31 March 2026, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial 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 Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2026 and the financial performance, changes in funds and cash flows of the Society 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 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

The Executive Council is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by the Executive Council as set out on pages 1 and 2 and the Annual Report for the financial year ended 31 March 2026, 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.

Responsibilities of the Executive Council for the Financial Statements

The Executive Council is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSs, and for such internal control as the Executive Council 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, the Executive Council 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 the Executive Council either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Executive Council's responsibilities include overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 Executive Council.

- Conclude on the appropriateness of Executive Council'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.

- 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.

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

We communicate with the Executive Council 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 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 financial 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.

The engagement partner on the audit resulting in this independent auditor's report is Tan Hwee Mei.

C. C.

C. C. YANG & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

SINGAPORE
13 July 2026

LIFE COMMUNITY SERVICES SOCIETY

UEN No. S96SS0100H

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2026
(Expressed in Singapore Dollars)

	Note	Unrestricted Income Funds	Restricted Funds	Total 2026	Total 2025
		$	$	$	$
INCOME					
Student care fee assistance		24,948	-	24,948	48,795
Comchest		-	1,085,579	1,085,579	762,655
Donations and funding	3	718,253	388,069	1,106,322	1,377,305
Programme fees		1,201,496	-	1,201,496	1,060,947
Interest income		70,711	-	70,711	106,701
Amortisation of capital grants	12	91,321	-	91,321	92,955
Government grants and subvention		428,238	95,287	523,525	815,589
Rental income		44,400	-	44,400	44,400
Dividend income		75,264	-	75,264	75,219
Miscellaneous income		2,917	1,497	4,414	1,205
Total income	4	2,657,548	1,570,432	4,227,980	4,385,771
EXPENDITURE					
Depreciation					
- Property, plant and equipment	6	135,928	3,788	139,716	143,148
- Right-of-use asset		-	-	-	73,386
Fundraising expenses		98,747	-	98,747	140,854
Rental expenses		88,755	47,278	136,033	45,667
Staff costs	5	1,580,408	1,606,475	3,186,883	2,837,677
Fair value loss (gain) on financial assets at fair value through profit or loss		(19,602)	-	(19,602)	17,836
Finance cost		-	-	-	1,085
Other operating expenses		358,001	135,170	493,171	459,720
Property, plant and equipment written off		-	-	-	473
Total expenditure		2,242,237	1,792,711	4,034,948	3,719,846
Surplus/(Deficit) for the year		$ 415,311	$(222,279)	$ 193,032	$ 665,925

The accompanying notes form an integral part of these financial statements

LIFE COMMUNITY SERVICES SOCIETY

UEN No. S96SS0100H

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

(Expressed in Singapore Dollars)

	Note	2026 $	2025 $
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,626,974	1,733,436
Investments	7	1,252,805	1,233,203
Total non-current assets		2,879,779	2,966,639
Current assets			
Trade and other receivables	8	435,777	125,122
Prepayments		22,285	26,990
Fixed deposits	9	3,763,192	3,671,209
Cash and bank balances	9	1,902,319	1,975,052
Total current assets		6,123,573	5,798,373
Total assets		$ 9,003,352	$ 8,765,012
FUNDS AND LIABILITIES			
Funds			
Unrestricted income funds	10	6,932,963	6,840,053
Restricted funds			
- Friends of Children Fund	11	131,013	182,427
- Friends of Youth Fund	11	128,603	160,828
- Life Student Care Benevolent Fund	11	2,390	2,390
- MightyKids Families & Community Fund	11	-	-
- EduGrow Fund	11	-	(94,538)
- Friends2Gather (Bedok)	11	(114,336)	(107,206)
- Friends2Gather (Opera Estate)	11	-	(681)
- President Challenge Fund 2024	11	133,682	-
- President Challenge Fund 2025	11	(38,010)	-
		243,342	143,220
Total funds		7,176,305	6,983,273
Non-current liabilities			
Deferred capital grants	12	314,456	398,531
Provision for reinstatement cost	13	15,000	-
Total non-current liabilities		329,456	398,531
Current liabilities			
Deferred capital grants	12	84,074	91,320
Trade and other payables	14	1,413,517	1,291,888
Total current liabilities		1,497,591	1,383,208
Total liabilities		1,827,047	1,781,739
Total funds and liabilities		$ 9,003,352	$ 8,765,012

The accompanying notes form an integral part of these financial statements

LIFE COMMUNITY SERVICES SOCIETY

UEN No. S96SS0100H

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2026
(Expressed in Singapore Dollars)

	Unrestricted Income Funds	Restricted Funds									Total
		Friends of Children Fund	Friends of Youth Fund	Life Student Care Benevolent Fund	MightyKids Families & Community Fund	EduGrow Fund	Friends2Gather (Bedok)	Friends2Gather (Opera Estate)	President Challenge Fund 2024	President Challenge Fund 2025	
	$	$	$	$	$	$	$	$	$	$	$
Opening balance at 1/4/2025	6,840,053	182,427	160,828	2,390	-	(94,538)	(107,206)	(681)	-	-	6,983,273
Surplus/(deficit) for the year	415,311	(51,414)	(32,225)	-	(91,023)	(2,477)	(45,140)	-	-	-	193,032
Transfer of funds	(322,401)	-	-	-	91,023	97,015	38,010	681	133,682	(38,010)	-
Closing balance at 31/3/2026	$ 6,932,963	$ 131,013	$ 128,603	$ 2,390	$ -	$ -	$(114,336)	$ -	$ 133,682	$(38,010)	$ 7,176,305
Opening balance at 1/4/2024	6,075,220	126,612	275,208	2,390	-	(106,633)	(54,484)	(965)	-	-	6,317,348
Surplus/(deficit) for the year	898,476	55,815	(114,380)	-	(133,643)	12,095	(52,722)	284	-	-	665,925
Transfer of funds	(133,643)	-	-	-	133,643	-	-	-	-	-	-
Closing balance at 31/3/2025	$ 6,840,053	$ 182,427	$ 160,828	$ 2,390	$ -	$(94,538)	$(107,206)	$(681)	$ -	$ -	$ 6,983,273

The accompanying notes form an integral part of these financial statements

LIFE COMMUNITY SERVICES SOCIETY
UEN No. S96SS0100H

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026
(Expressed in Singapore Dollars)

	Note	2026 $	2025 $
Operating activities			
Surplus on funds for the year		193,032	665,925
Adjustments for:			
Amortisation of capital grants		(91,321)	(92,955)
Depreciation of property, plant and equipment		139,716	143,148
Depreciation of right-of-use asset		-	73,386
Dividend income		(75,264)	(75,219)
Fair value loss (gain) on financial assets at fair value through profit or loss		(19,602)	17,836
Interest income		(70,711)	(106,701)
Interest expense		-	1,085
Property, plant and equipment written off		-	473
Operating cash flows before changes in working capital		75,850	626,978
Decrease (increase) in trade and other receivables		(333,091)	93,643
Decrease in prepayments		4,705	3,947
Increase (decrease) in trade and other payables		121,629	(4,570)
Increase in provision for reinstatement cost		15,000	-
Net cash flows from (used in) operating activities		(115,907)	719,998
Investing activities			
Purchase of property, plant and equipment		(33,254)	(5,233)
Increase in fixed deposits		(91,983)	(509,490)
Interest received		93,147	111,593
Dividends received		75,264	75,219
Payment of lease liability		-	(76,053)
Net cash flows from (used in) investing activities		43,174	(403,964)
Net increase (decrease) in cash and cash equivalents		(72,733)	316,034
Cash and cash equivalents at beginning of year		1,975,052	1,659,018
Cash and cash equivalents at end of year	9	$ 1,902,319	$ 1,975,052

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

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

1. GENERAL INFORMATION

Life Community Services Society is a registered Society under the Societies Act 1966 and domiciled in Singapore. The Society has been a registered charity under the Charities Act 1994 since 22 January 2002. The Society has also been granted the status of an Institution of a Public Character for certain of its programmes for the period from 1 April 2022 to 31 December 2024 and subsequently granted an extension for the period from 1 January 2025 to 31 December 2027. The registered office and principal place of activities is located at 114 Lavender Street #02-52 CT Hub 2 Singapore 338729.

The principal activities of the Society are:

a) To provide comprehensive remedial, preventive and development services for individuals and families facing or encountering crisis and conflicts;

b) To provide advice, counselling services, guidance and assistance to students in the areas of education and career development, crisis management, lifestyle management and other related issues or problems by way of school visitation, counselling, workshops, seminars, forums and camps;

c) To provide grants or participate in providing or granting relief and aid to the sick, poor and needy; and

d) To promote education and participation in schemes calculated to promote education.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements of the Society have been prepared in accordance with the provisions of the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.1 Basis of preparation (Cont'd)

Functional currency

The Executive Council has determined the currency of the primary economic environment in which the Society operates i.e. functional currency, to be the Singapore dollars.

The financial statements are presented in Singapore dollars.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards that are relevant to its operations and effective for annual financial periods beginning on or after 1 April 2025. The adoption of these standards did not have any effect on the financial performance or position of the Society.

2.3 Standards issued but not yet effective

The Society has not adopted the following standards that have been issued but are only effective for annual financial periods beginning on or after the respective dates.

Effective 1 January 2026

Amendments to FRS 109 and FRS 107	Amendments to Classification and Measurement of Financial Instruments
Various	Annual Improvements to FRSs – Volume 11

Effective 1 January 2027

FRS 118	Presentation and Disclosure in Financial Statements

The Executive Council expects that the adoption of the standards above will have no material impact on the financial statements of the Society in the period of initial application.

2.4 Funds

Income and expenditure relating to the various specific funds specifically set up are taken directly to these funds. All other income and expenditure are reflected in statement of financial activities in Unrestricted Income Funds.

Unless specifically indicated, fund balances are not represented by any specific assets but are represented by all assets of the Society.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.5 Property, plant and equipment (Cont'd)

Subsequent expenditure relating to property, plant and equipment that has already been recognised 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 Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the statement of financial activities during the financial year in which it is incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on the straight-line method to write off the cost of property, plant and equipment over the estimated useful lives. The estimated useful lives of property, plant and equipment are as follows:

Office premise	50 years
Office equipment	5 years
Furniture and fittings	5 years
Computers	5 years
Renovations	5 years
Motor vehicle	5 years
Musical instruments	5 years

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of financial activities in the financial year the asset is de-recognised.

2.6 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.6 Impairment of non-financial assets (Cont'd)

Impairment losses are recognised in the statement of financial activities, except for assets that are previously revalued where the revaluation was taken to asset revaluation reserve. In this case, the impairment is also recognised in asset revaluation reserve up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of financial activities unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Society becomes a party to the contractual provisions of the instruments.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of financial activities.

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the other receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Society only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of financial activities when the assets are de-recognised or impaired, and through the amortisation process.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.7 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Society may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to income and expenditure. Dividends from such investments are to be recognised in income and expenditure when the Society's right to receive payments is established. For investments in equity instruments which the Society has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in income and expenditure.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised directly in reserves for debt instruments is recognised in the statement of financial activities.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of financial activities when the liabilities are de-recognised, and through the amortisation process.

Financial liabilities at FVPL include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivatives financial instruments entered into by the Society that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities that are carried at FVPL are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the statement of financial activities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.7 Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in the statement of financial activities.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.8 Impairment of financial assets

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Society considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.10 Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Employee benefits

Defined contribution plan

As required by law, the Society makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. CPF contributions are recognised as compensation expenses in the same period as the employment that gives rise to these contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for annual leave expected to be settled wholly before twelve months after the end of the reporting year is recognised for services rendered by employees up to the end of the reporting year.

2.12 Borrowing costs

Borrowing costs are recognised as expenses in the profit or loss in the period in which they are incurred, using the incremental borrowing rate. Borrowing costs include interest in respect of lease liability.

2.13 Income and expenditure recognition

(i) Fee income from student care is recognised over the duration of the programmes.

(ii) Income from donations is recognised on receipt basis.

(iii) Grant income is recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be compiled with (Refer to Note 2.14 to the financial statements for further details).

(iv) Interest income is recognised on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

(v) Donation income that is specified by donors for a particular activity will be fully allocated to the activity.

(vi) Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Society, and the amount of the dividend can be reliably measured.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.13 Income and expenditure recognition (Cont'd)

(vii) Rental income from operating leases is recognised on a straight-line basis over the lease term.

(viii) Expenses that are incurred wholly for a particular activity will be fully allocated to the activity.

(ix) Common income earned and expenses incurred among the 5 student care centres, Friends of Children, Friends of Youth, MightyKids Families & Community, EduGrow, and Friends2Gather programmes are apportioned accordingly based on the basis determined by the management.

2.14 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Relating to assets

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the income and expenditure over the expected useful life of the relevant asset by equal annual instalments.

Relating to expense

Where the grant relates to an expense item, it is recognised as income in statement of financial activities over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.15 Income taxes

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

2.16 Significant accounting judgements and estimates

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.16 Significant accounting judgements and estimates (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Useful lives of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amounts of the Society's property, plant and equipment at the end of the reporting year are disclosed in Note 6 to the financial statements.

3. DONATIONS AND FUNDING

	2026	2025
	$	$
DB Donate One Day	135,463	117,030
Donations – Tax deductible	267,838	492,911
Donations – Non-tax deductible	31,978	76,496
Donations – Funded activities	152,667	196,719
Donations – ICU tuition	-	19,880
Twenty 2000 – Tax deductible	16,025	20,790
Twenty 2000 – Non-tax deductible	410	410
Charity Golf – Tax deductible	239,363	270,004
Charity Golf – Non-tax deductible	17,222	5,139
Yellow Ribbon	1,028	177,926
President Challenge	244,328	-
	$ 1,106,322	$ 1,377,305

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deductions for the donations made to the Society. The Institution of a Public Character (IPC) status granted to the Society is for the period from 1 April 2022 to 31 December 2024. The Society was granted an extension of its IPC status for the period from 1 January 2025 to 31 December 2027.

	2026	2025
Tax deductible receipts issued for donations and funding collected	$ 797,372	$ 897,412

Above tax-deductible receipts issued for donations and funding collected included donations received in advance at year-end of $59,500 (2025 – $Nil) that were included in trade and other payables (Note 14).

4. TOTAL INCOME

	Unrestricted Income Funds	Restricted Funds: Friends of Children Fund	Friends of Youth Fund	MightyKids Families & Community Fund	EduGrow Fund	Friends2Gather (Bedok)	Friends2Gather (Opera Estate)	Total 2 0 2 6	Total 2 0 2 5
	$	$	$	$	$	$	$	$	$
Student care fee assistance	24,948	-	-	-	-	-	-	24,948	48,795
Comchest	-	334,894	409,315	341,370	-	-	-	1,085,579	762,655
Donations and funding	718,253	63,551	80,652	7,522	103,211	133,133	-	1,106,322	1,377,305
Programme fees	1,201,496	-	-	-	-	-	-	1,201,496	1,060,947
Interest income	70,711	-	-	-	-	-	-	70,711	106,701
Amortisation of capital grants (Note 12)	91,321	-	-	-	-	-	-	91,321	92,955
Government grants and subvention	428,238	30,940	902	42,514	-	20,931	-	523,525	815,589
Rental income	44,400	-	-	-	-	-	-	44,400	44,400
Dividend income	75,264	-	-	-	-	-	-	75,264	75,219
Miscellaneous income	2,917	-	-	1,497	-	-	-	4,414	1,205
	$ 2,657,548	$ 429,385	$ 490,869	$ 392,903	$ 103,211	$ 154,064	$ -	$ 4,227,980	$ 4,385,771

In 2025, the Society entered into a Collaboration Agreement with Presbyterian Community Services (PCS) to run and manage a Student Care Centre (PR01) which is registered with the Ministry of Social and Family Development (MSF). This collaboration agreement was done after consultation with MFS.

Under the Collaboration Agreement, PCS remains the registered owner of PR01 in accordance with MSF rules and regulations and shall manage all the required interactions with MSF and other relevant government authorities on regulatory related matters, such as MSF reporting and audit requirements.

PCS has granted the Society the full autonomy and authority to the management of PR01 in accordance with the terms of the Collaboration Agreement, which includes allowing the Society to establish direct invoicing and fee collection arrangement with the students of PR01.

The total revenue and expenses derived from the running and management of PR01 amounted to $196,565 (2025- $49,705) and $318,167 (2025- $74,986) for the year ended 31 March 2026, which are included in programme fees income and the related expenses respectively.

The management of the Society had represented that there was a meeting with PCS and MSF on 2 September 2024 on the above collaboration and no objections were raised for PCS, as the registered owner of PR01, to engage another party to manage the operations of PR01.

5. STAFF COSTS

	Unrestricted Income Funds	Restricted Funds: Friends of Children Fund	Friends of Youth Fund	MightyKids Families & Community Fund	EduGrow Fund	Friends2Gather (Bedok)	Total 2026	Total 2025
	$	$	$	$	$	$	$	$
Salaries	1,133,506	286,353	353,471	306,187	75,753	116,823	2,272,093	2,027,800
Bonuses	204,636	53,636	65,866	61,281	12,438	32,679	430,536	406,111
Employer's contributions to Central Provident Fund	195,150	54,856	67,586	60,819	13,947	24,705	417,063	377,894
Insurance and welfare	33,725	6,478	-	3,496	1,682	1,315	46,696	24,792
Unutilised leave	13,391	3,360	4,161	4,050	(2,538)	(1,929)	20,495	1,080
	$ 1,580,408	$ 404,683	$ 491,084	$ 435,833	$ 101,282	$ 173,593	$ 3,186,883	$ 2,837,677

The above includes remuneration of key management personnel as shown in Note 16(b) to the financial statements.

6. PROPERTY, PLANT AND EQUIPMENT

2026	Office premise $	Office equipment $	Furniture and fittings $	Computers $	Renovations $	Motor vehicle $	Musical instruments $	Total $
Cost:								
At 1.4.2025	1,519,000	66,716	46,125	81,964	1,504,931	48,713	3,838	3,271,287
Additions	-	15,499	-	12,155	5,600	-	-	33,254
Written off	-	-	-	(2,003)	-	-	-	(2,003)
At 31.3.2026	1,519,000	82,215	46,125	92,116	1,510,531	48,713	3,838	3,302,538
Accumulated depreciation:								
At 1.4.2025	51,936	62,866	38,998	47,241	1,285,195	48,713	2,902	1,537,851
Depreciation for the year	15,580	5,783	2,573	14,719	100,812	-	249	139,716
Written off	-	-	-	(2,003)	-	-	-	(2,003)
At 31.3.2026	67,516	68,649	41,571	59,957	1,386,007	48,713	3,151	1,675,564
Net carrying amount:								
At 31.3.2026	$ 1,451,484	$ 13,566	$ 4,554	$ 32,159	$ 124,524	$ -	$ 687	$ 1,626,974

6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

2025	Office premise $	Office equipment $	Furniture and fittings $	Computers $	Renovations $	Motor vehicle $	Musical instruments $	Total $
Cost:								
At 1.4.2024	1,519,000	73,403	45,775	80,805	1,504,931	48,713	3,838	3,276,465
Additions	-	-	2,249	2,984	-	-	-	5,233
Written off	-	(6,687)	(1,899)	(1,825)	-	-	-	(10,411)
At 31.3.2025	1,519,000	66,716	46,125	81,964	1,504,931	48,713	3,838	3,271,287
Accumulated depreciation:								
At 1.4.2024	36,356	63,966	38,136	34,421	1,180,397	48,713	2,652	1,404,641
Depreciation for the year	15,580	5,587	2,761	14,172	104,798	-	250	143,148
Written off	-	(6,687)	(1,899)	(1,352)	-	-	-	(9,938)
At 31.3.2025	51,936	62,866	38,998	47,241	1,285,195	48,713	2,902	1,537,851
Net carrying amount:								
At 31.3.2025	$ 1,467,064	$ 3,850	$ 7,127	$ 34,723	$ 219,736	$ -	$ 936	$ 1,733,436

The office premise relates to a freehold property located at Lot TS29-U4689V 205 Balestier Road #01-08 The Mezzo.

The freehold property is held in trust by two (2025 – two) of the Executive Council Members of the Society.

Depreciation is allocated as follows:

	2026 $	2025 $
Unrestricted funds	135,928	139,623
Restricted funds		
- Friends of Children Fund	916	799
- Friends of Youth Fund	249	250
- MightyKids Families & Community Fund	2,214	2,174
- EduGrow Fund	130	129
- Friends2Gather (Bedok)	279	173
- Friends2Gather (Opera Estate)	-	-
	3,788	3,525
	$ 139,716	$ 143,148

7. INVESTMENTS

Financial assets

The fair values of the investment funds, measured at fair value through profit or loss at the end of the reporting year, are as follows:

	2026	2025
At fair value through profit or loss		
Investment funds	$ 1,252,805	$ 1,233,203

The investment funds offer the Society the opportunity for returns through dividend income and fair value gains.

8. TRADE AND OTHER RECEIVABLES

	2026 $	2025 $
Trade receivables	594	4,209
Funding and donation receivables	61,830	43,889
Non-trade receivables	264,091	36,073
Interest receivables	-	22,436
Deposits	109,262	18,515
	$ 435,777	$ 125,122

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

	2026 $	2025 $
Fixed deposits	3,763,192	3,671,209
Cash and bank balances	1,902,319	1,975,052
	5,665,511	5,646,261
Less: Fixed deposits		
- Placement more than 3 months	(3,763,192)	(3,671,209)
	$ 1,902,319	$ 1,975,052

The fixed deposits placed with banks mature on varying dates within 11 (2025 – 11) months from the end of the reporting year and bear interests at 0.35% (2025 – 2.50% to 3.25%) per annum.

10. UNRESTRICTED INCOME FUNDS

	2026 $	2025 $
Balance at beginning of the year	6,840,053	6,075,220
Surplus for the year	415,311	898,476
Transfer to restricted funds (Note 11)	(322,401)	(133,643)
Balance at end of the year	$ 6,932,963	$ 6,840,053

Unrestricted income funds are generated from the operation of Student Care Services and general donations received for the work of the Society.

11. RESTRICTED FUNDS

2026	Friends of Children Fund	Friends of Youth Fund	Life Student Care Benevolent Fund	MightyKids Families & Community Fund	EduGrow Fund	Friends2Gather (Bedok)	Friends2Gather (Opera Estate)	President Challenge Fund 2024	President Challenge Fund 2025	Total
	$	$	$	$	$	$	$	$	$	$
Balance as at 1/4/2025	182,427	160,828	2,390	-	(94,538)	(107,206)	(681)	-	-	143,220
Comchest	334,894	409,315	-	341,370	-	-	-	-	-	1,085,579
Donations and funding	63,551	80,652	-	7,522	103,211	133,133	-	-	-	388,069
Government grants and subvention	30,940	902	-	42,514	-	20,931	-	-	-	95,287
Miscellaneous income	-	-	-	1,497	-	-	-	-	-	1,497
Expenditure	(480,799)	(523,094)	-	(483,926)	(105,688)	(199,204)	-	-	-	(1,792,711)
Deficit for the year	(51,414)	(32,225)	-	(91,023)	(2,477)	(45,140)	-	-	-	(222,279)
Transferred from unrestricted income funds (Note 10)	-	-	-	91,023	97,015	38,010	681	133,682	(38,010)	322,401
Balance as at 31/3/2026	$ 131,013	$ 128,603	$ 2,390	$ -	$ -	$(114,336)	$ -	$ 133,682	$(38,010)	$ 243,342

11. RESTRICTED FUNDS (Cont'd)

2025	Friends of Children Fund	Friends of Youth Fund	Life Student Care Benevolent Fund	MightyKids Families & Community Fund	EduGrow Fund	Friends2Gather (Bedok)	Friends2Gather (Opera Estate)	Total
	$	$	$	$	$	$	$	$
Balance as at 1/4/2024	126,612	275,208	2,390	-	(106,633)	(54,484)	(965)	242,128
Comchest	245,410	299,946	-	217,299	-	-	-	762,655
Donations and funding	249,106	66,091	-	75,935	137,615	6,951	1,026	536,724
Government grants and subvention	29,685	22,596	-	2,092	18,889	84,123	-	157,385
Expenditure	(468,386)	(503,013)	-	(428,969)	(144,409)	(143,796)	(742)	(1,689,315)
Surplus (Deficit) for the year	55,815	(114,380)	-	(133,643)	12,095	(52,722)	284	(232,551)
Transferred from unrestricted income funds (Note 10)	-	-	-	133,643	-	-	-	133,643
Balance as at 31/3/2025	$ 182,427	$ 160,828	$ 2,390	$ -	$(94,538)	$(107,206)	$(681)	$ 143,220

The purpose of Friends of Children Fund is to provide care and support for children (6 – 12 years old) with parent(s) formerly/presently incarcerated.

The purpose of Friends of Youth Fund is to befriend and mentor youths (13 – 16 years old) with parent(s) formerly/presently incarcerated.

The purpose of Life Student Care Benevolent Fund is to render assistance to needy students in cash or in kind.

The purpose of MightyKids Families & Community Fund is to affirm and nurture community kids to live an empowered life.

The purpose of EduGrow Fund is to seek to provide holistic support to children from low-income families in Marine Parade, enabling the growth towards an upward society mobility.

The purpose of Friends2Gather is to provide befriending support to children (6 – 8 years old) from vulnerable background.

The purpose of President Challenge Fund 2024 is to support the establishment of a new counselling team to provide counselling and mental health support services.

The purpose of President Challenge Fund 2025 is to provide child-centred mentoring for children from vulnerable backgrounds, helping them build strong foundations in their socio-emotional, behavioural, cognitive and physical well-being.

These restricted funds are represented by property, plant and equipment, cash and cash equivalents and other assets and liabilities at the end of the financial year.

12. DEFERRED CAPITAL GRANTS

	2026 $	2025 $
Cost:		
At beginning of the year	935,004	935,004
Grants received	-	-
At end of the year	935,004	935,004
Accumulated amortisation:		
At beginning of the year	445,153	352,198
Amortisation for the year (Note 4)	91,321	92,955
At end of the year	536,474	445,153
Net carrying amount:		
At end of the year	$ 398,530	$ 489,851

	2026 $	2025 $
Disclosed under:		
Current liabilities	84,074	91,320
Non-current liabilities	314,456	398,531
	$ 398,530	$ 489,851

The above deferred capital grants include the following:

(a) Capital grants were received from Ministry of Social and Family Development and Ministry of Education for the purposes of funding the costs of cyclical maintenance, conversion costs and for furnishing and equipping student care centres. The grant agreements require the Society to operate the said student care centres for a minimum of 5 years from the date of the grant and the funding received will have to be refunded proportionately if the centres are operated for less than 5 years. The capital grant is deferred and amortised as income over a period of 5 years.

(b) Capital grants received from Care and Share Matching Grant and Invictus Fund are utilised for purchasing of property, plant and equipment. They are recognised as deferred capital grant on the statement of financial position and are amortised to statement of financial activities over the expected useful life of the relevant asset.

The carrying amounts of the deferred capital grants approximate its fair value.

13. PROVISION FOR REINSTATEMENT COST

	2026 $	2025 $
Balance at beginning of year	-	-
Additions	15,000	-
Balance at end of year	$ 15,000	$ -

The provision for reinstatement cost represents the present value of management's best estimate of the future outflow of economic benefits that will be required to reinstate leased office premise to its original state. The estimate has been made on the basis of quotes obtained from external contractors. The unexpired term of the lease is 16 months.

14. TRADE AND OTHER PAYABLES

	2026 $	2025 $
Trade payables	53,402	37,420
GST payable	25,691	29,321
Deferred grants and donations		
- Bicentennial Community Fund	143,979	161,037
- Corporate donations	243,953	214,457
- F2G Comlink	7,839	-
- President Challenge	95,672	250,000
- Yellow Ribbon	-	40,620
- Community Capability Trust	193,152	-
- Others	4,622	10,842
Funding received in advance (Note 3)	59,500	-
Advance fees received	1,382	2,144
Student care deposits	99,766	95,578
Accrued operating expenses	410,928	397,332
Deposit payables	11,100	11,100
Provision for unutilised leave	62,531	42,037
	$ 1,413,517	$ 1,291,888

15. OPERATING LEASE COMMITMENTS

The Society leased out its property to a third party for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from its property during the financial year amounted to $44,400 (2025 – $44,400).

When the Society is the lessor

The future minimum lease payments receivable under non-cancellable operating lease contracted for at the end of the reporting year but not recognised as receivables are as follows:

	2026 $	2025 $
Lease which expires:		
Within one year	7,400	44,400
Later than one year but within five years	-	7,400
	$ 7,400	$ 51,800

16. RELATED PARTY TRANSACTIONS

An entity or individual is considered a related party for the purpose of these financial statements if it has the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Society or vice versa, or where it is subject to common control or common significant influence.

The Society has the following significant related party transactions entered with its related parties and the effect of these transactions at terms agreed between the parties are reflected in these financial statements:

(a) Transactions with related parties

There were no related party transactions for the years ended 31 March 2026 and 2025.

(b) Compensation of key management personnel

	2026	2025
	$	$
Key management personnel		
Salaries and other related costs	379,820	471,285
Employer's contributions to Central Provident Fund	50,102	67,022
	$ 429,922	$ 538,307
Number of staff in the following remuneration band:		
$100,001 to $200,000	3	4

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly.

The above remuneration are paid to key management personnel of the Society. All members of the Executive Council are volunteers and they do not receive any remuneration from the Society during the financial year.

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

17 CATEGORIES OF FINANCIAL INSTRUMENTS

The categories of financial instruments as at the end of the reporting year are as follows:

	2026	2025
	$	$
Financial assets		
Financial assets at fair value through profit or loss	1,252,805	1,233,203
Financial assets at amortised cost	6,101,288	5,771,383
	$ 7,354,093	$ 7,004,586
Financial liabilities		
Financial liabilities at amortised cost	$ 575,196	$ 541,430

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society is exposed to financial risks arising from its operations and the use of financial instruments. The Society's financial instruments comprise financial assets and liabilities. Financial assets and liabilities mainly relate to receivables and payables which arise directly from its operations.

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Society's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate risk, foreign currency risk and other price risk exposures. The Executive Council has certain practices for the management of financial risks. However, these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by the Executive Council. All financial risk management activities are carried out following good market practices.

The Society does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations in interest and foreign exchange rates.

The following sections provide details regarding the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and fixed deposits and investments), the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The maximum exposure to credit risk is represented by the net carrying amount of financial assets recorded in the financial statements.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society has determined the default event on a financial asset to be when the counterparty fails to make contractual payments within 180 days when they fall due, which are derived based on the Society's historical information.

To assess whether there is a significant increase in credit risk, the Society compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating.
- External credit rating.
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the debtor.
- Significant increases in credit risk on other financial instruments of the same debtor.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Society and changes in the operating results of the debtor.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk (Cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Society determined that its financial assets are credit-impaired when:

- There is significant financial difficulty of the debtor.
- A breach of contract, such as a default or past due event.
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 270 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Society. Where receivables have been written off, the Society continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of financial activities.

The Society's current credit risk grading framework comprises the following categories:

Category	**Definition of Category**	**Basis for recognising expected credit loss (ECL)**
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is > 180 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Society's financial assets, as well as maximum exposure to credit risk rating categories:

	Note	**Category**	**12-month or lifetime ECL**	**Gross carrying amount**	**Net carrying amount**
				$	**$**
31 March 2026					
Trade receivables	8	Note A	Lifetime ECL (simplified)	594	594
Other receivables	8	I	12-month ECL	435,183	435,183
31 March 2025					
Trade receivables	8	Note A	Lifetime ECL (simplified)	4,209	4,209
Other receivables	8	I	12-month ECL	120,913	120,913

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk (Cont'd)

<u>Trade receivables</u> (Note A)

For trade receivables, the Society has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Society determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. There was no expected credit loss exposure on the Society's trade receivables as at 31 March 2026 and 2025.

<u>Other receivables</u>

The Society assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Society measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Executive Council exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

As at the end of the reporting year, the expected contractual undiscounted cash outflows of financial liabilities are due in less than a year.

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 has no exposure to interest rate risks as interests arising primarily from fixed deposits are fixed and do not fluctuate with changes in market interest rates.

Foreign currency risk

The Society's operational activities are carried out in Singapore dollars which is its functional currency. All transactions are paid mainly in local currency. Exposure to any risk arising from movements in foreign currencies exchange rates is minimal.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of the changes in market prices (other than interest or exchange rates). The Society is exposed to price risk arising from its investment in various quoted funds. These instruments are classified as financial assets at fair value through profit or loss. To manage its price risk arising from investments in funds, the Society diversifies its portfolio in accordance with the limits set by the Society.

Sensitivity analysis for market price risk is not disclosed as the effect on the statement of financial activities is considered not significant.

19. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Society categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Society can access at the measurement date.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets carried at fair value

The following table shows an analysis of each class of assets carried at fair value at the end of the reporting year:

2 0 2 6

	Fair value measurements at the end of the reporting year using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				
Financial assets				
At fair value through profit or loss				
- Investment funds (Note 7)	1,252,805	-	-	1,252,805
Financial assets as at 31/3/2026	$ 1,252,805	$ -	$ -	$ 1,252,805

19. FAIR VALUE OF ASSETS AND LIABILITIES (Cont'd)

(b) Assets carried at fair value (Cont'd)

The following table shows an analysis of each class of assets carried at fair value at the end of the reporting year (Cont'd):

2 0 2 5

	Fair value measurements at the end of the reporting year using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				
Financial assets				
At fair value through profit or loss				
- Investment funds (Note 7)	1,233,203	-	-	1,233,203
Financial assets as at 31/3/2025	$ 1,233,203	$ -	$ -	$ 1,233,203

(c) Assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The Executive Council has determined that the carrying amounts of short-term fixed deposits, cash and bank balances, trade and other receivables and trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

There were no non-financial assets, financial liabilities and non-financial liabilities carried at fair value as at 31 March 2026 and 2025.

20. FUND MANAGEMENT

The Society's funds are managed so as to maintain adequate working capital for the development of its principal activities over the longer term. These objectives remained unchanged from previous financial year.

21. SUBSEQUENT EVENTS

On 1 April 2026, the Society transferred its assets and liabilities to Life Community Ltd., a public company limited by guarantee, incorporated in Singapore, in accordance with the Business Transfer Agreement signed between both parties. The transfer of assets shall be treated as a donation by the Society to Life Community Ltd. and shall be deemed to have been transferred at the net book value of the assets as at the completion date.

22. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2026 were authorised for issue by the Executive Council on 13 July 2026.