

JU ENG HOME FOR SENIOR CITIZENS

UNIQUE ENTITY NUMBER: S89SS0113B

INSTITUTION OF A PUBLIC CHARACTER REGISTRATION NUMBER: IPC000618

**STATEMENT BY THE EXECUTIVE COMMITTEE
AND
FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



Independent member of
leading **edge** alliance

www.lohocklingco.com.sg

Table Of Contents

Structure, Governance and Management	1 - 3
Statement by the Executive Committee	4
Independent Auditor's Report	5 - 7
Statement of Financial Activities	8 - 10
Statement of Financial Position	11
Statement of Changes in Funds	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 34

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Unique Entity Number

S89SS0113B

Institution of a Public Character Registration Number

IPC 000618

Registered Address

205 Jalan Kayu
Singapore 799436

Constitution

Ju Eng Home for Senior Citizens, is an association registered under the Societies Act 1966 and the Charities Act 1994. It is also an Institution of a Public Character ("IPC") under the Ministry of Health.

History and Objectives

Ju Eng Home for Senior Citizens (hereinafter referred to as the "Home") was founded by the late Elder Ang Oon Hue.

In 1987, he donated 2 acres of freehold land, upon which Ju Eng Primary Home stood, to the Government for conversion into a nursing home with a licensed capacity of 104 beds. In 2001, the Home built a five-storey building under Phase 2, accommodating a total of 334 residents. In May 2016, Phase 3 was completed, and the Home can now accommodate up to 522 residents.

The aims and objectives of the Home are:

- a. To promote welfare services in accordance with the Christian precepts of showing kindness to mankind.
- b. To initiate, assist and organise such forms of relief and schemes of social service as would alleviate poverty and distress amongst the people of Singapore.
- c. To provide, in accordance with Christian principles, shelter and care for the frail aged of Singapore, destitute or otherwise, irrespective of race and religion and promote their physical, mental and spiritual welfare.
- d. To do all things as are incidental or conducive to the attainment of the abovenamed aims and objectives.

Management

Our Honorary Advisors are:

1. Ms Ng Ling Ling
2. Dr Lam Pin Min
3. Mr Tan Kok Quan
4. Mr Wee Siew Kim

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Management (continued)

Our Trustees are:

1. Elder Lawrence Ang Poh Siew
2. Mdm Ang Poh Choo
3. Mdm Giam Lay Kee

Our Board of Directors, who are all volunteers, is:

- | | | | |
|-----|-----------------------------|---|---------------------|
| 1. | Elder Lawrence Ang Poh Siew | - | Chairman |
| 2. | Mr Wang Tiak Kweng | - | Secretary |
| 3. | Mr Ong Siong Yong | - | Treasurer |
| 4. | Mr Ken Ng Chen Kok | - | Assistant Treasurer |
| 5. | Ms Deborah Barker | - | EXCO Member |
| 6. | Dr Mohan Tiru | - | EXCO Member |
| 7. | Ms Persis Ong Hui Hui | - | EXCO Member |
| 8. | Mr Charlie Chan | - | EXCO Member |
| 9. | Ms Ng Sue Khion, Helen | - | EXCO Member |
| 10. | Mr Gerald Lim | | |
| 11. | Dr Ong Ai Ling, Julia | | |

Governance

Within the Board, there are 3 sub-committees:

- a. Nomination Committee which ensures that only competent directors capable of contributing to the success of the Home are appointed.
- b. Audit Committee which ensures that the major risks to which the Home is exposed have been reviewed and systems or procedures have been established to manage those risks.
- c. Remuneration Committee which determines and recommends to the Board the remuneration for the Management Working Committee.

Nomination Committee:

- | | | | |
|----|-----------------------------|---|----------|
| 1. | Mr Wang Tiak Kweng | - | Chairman |
| 2. | Elder Lawrence Ang Poh Siew | - | Member |
| 3. | Mr Ong Siong Yong | - | Member |

Audit Committee:

- | | | | |
|----|-----------------------------|---|----------|
| 1. | Mr Ong Siong Yong | - | Chairman |
| 2. | Ms Persis Ong Hui Hui | - | Member |
| 3. | Elder Lawrence Ang Poh Siew | - | Member |

Remuneration Committee:

- | | | | |
|----|-----------------------------|---|----------|
| 1. | Elder Lawrence Ang Poh Siew | - | Chairman |
| 2. | Mr Wang Tiak Kweng | - | Member |
| 3. | Mr Ong Siong Yong | - | Member |

The Board sets up human resource and finance policies for the daily management of the Home which are delegated to the Management Working Committee.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

The Management Working Committee consists of the following staffs:

- | | | | |
|----|------------------------|---|-------------------------------|
| 1. | Rosalind Koh Suay Yeow | - | Director of Nursing |
| 2. | Soo Guat Ling Belinda | - | Assistant Director of Nursing |
| 3. | Lee Joo Chin | - | Finance Manager |
| 4. | Lim Chee Keong Benson | - | Human Resource Manager |

The Management Working Committee reports directly to the Chairman.

The Chairman ensures that the Board is updated on significant issues via meetings or emails.

Principal Bankers

Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank (Singapore) Limited
BNP Paribas Wealth Management

Independent Auditor

Lo Hock Ling & Co.
Chartered Accountants Singapore
101A Upper Cross Street
#11-22 People's Park Centre
Singapore 058358

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

STATEMENT BY THE EXECUTIVE COMMITTEE

In our opinion, the accompanying financial statements of Ju Eng Home For Senior Citizens (the "Home") set out on pages 8 to 34 which comprise the statement of financial position as at 31 March 2024, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and material accounting policy information and other explanatory information, are drawn up so as to give a true and fair view of the financial position of the Home as at 31 March 2024 and the financial performance, changes in funds and cash flows of the Home for the year ended on that date.

On behalf of the Executive Committee



Lawrence Ang Poh Siew
Chairman



Ong Siong Yong
Treasurer

Singapore, 18 June 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ju Eng Home For Senior Citizens (the "Home") set out on pages 8 to 34, which comprise the statement of financial position (balance sheet) as at 31 March 2024, and the statement of financial activities, statement of changes in funds and statement of cash flows 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"), Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), the Constitution of the Home and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Home as at 31 March 2024 and the results, changes in funds and cash flows of the Home for the year ended on that date.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the Structure, Governance and Management, and Statement by the Executive Committee set out on pages 1 to 4 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Executive Committee 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 Societies Act, the Charities Act and Regulations, the Constitution of the Home 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 Home'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 Home or to cease operations, or has no realistic alternative but to do so.

The Executive Committee's responsibilities include overseeing the Home's financial reporting process.

Continued

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 Home's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Home'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 Home 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 the Executive Committee 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,

- (a) the accounting and other records required by the Societies Regulations enacted under the Societies Act to be kept by the Home have been properly kept in accordance with those regulations; and
- (b) the Home has not conducted any fund raising appeal as defined in the Societies Regulations issued under the Societies Act.

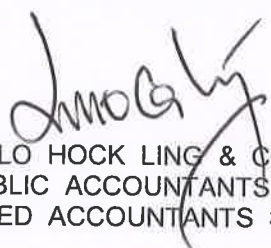
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Report on Other Legal and Regulatory Requirements (Continued)

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (i) the Home has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Home has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Singapore, 18 June 2024


LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

Statement of Financial Activities for the financial year ended 31 March 2024

		<u>Unrestricted Funds</u>	
	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
INCOME			
<u>INCOMING RESOURCES</u>			
INCOMING RESOURCES FROM GENERATED FUNDS			
Voluntary Income			
<u>Donations</u>			
Donations-in-kind	3	136,002	95,130
Non-tax deductible donations	3	42,122	43,527
Tax deductible donations	3	525,464	328,445
<u>Government subsidies/grants</u>			
Goods and Services Tax absorbed by Ministry of Health		316,380	239,054
Other subvention funds	4	237,144	173,990
Receipts from Medifund	19	1,538,064	1,226,882
Recurrent subvention fund		10,869,852	9,977,755
Rental subvention fund		1,298,043	1,287,017
		14,963,071	13,371,800
Investment Income			
Interest income		1,654,790	859,283
		1,654,790	859,283
INCOMING RESOURCES FROM CHARITABLE ACTIVITY			
Programme fees	5	2,065,422	2,090,281
		2,065,422	2,090,281
OTHER INCOMING RESOURCES			
Miscellaneous income		80,727	202,921
		80,727	202,921
Total income		18,764,010	16,524,285
EXPENDITURE			
<u>RESOURCES EXPENDED</u>			
COSTS OF GENERATING FUNDS			
Costs of Generating Voluntary Income			
Networking		27,835	27,573
		27,835	27,573

The accompanying notes form an integral part of these financial statements

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

Statement of Financial Activities for the financial year ended 31 March 2024 (continued)

		<u>Unrestricted Funds</u>	
	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
EXPENDITURE (continued)			
<u>RESOURCES EXPENDED (continued)</u>			
CHARITABLE ACTIVITIES			
Depreciation on property, plant and equipment	6	1,208,246	1,064,221
Depreciation on right-of-use assets	9	1,215,666	1,197,254
Employee benefits expense	7	8,219,014	8,094,673
Food, beverages and groceries		261,411	243,180
Foreign workers' levy		1,460,718	1,457,337
Interest expense on lease liabilities	16	153,016	31,065
Medical professional fees		293,888	238,627
Medical supplies and medication		473,108	456,768
Membership fees		351	-
Nursing supplies		435,572	380,603
Recruitment and repatriation		100,276	102,392
Repairs and maintenance		1,097,305	636,109
Residents' welfare expenses		22,678	34,122
Security services		127,282	96,440
Subscription fee		156,231	171,893
Training/seminars		8,206	6,299
Transport		25,424	11,886
Utilities		658,644	636,238
Vehicles operating expenses		36,048	57,363
		15,953,084	14,916,470
GOVERNANCE COSTS			
Audit fee		32,000	30,500
- current year		-	1,200
- under-provision in prior year		-	-
Insurance		101,935	88,089
Professional fees		18,000	16,500
- current year		-	(6,400)
- over-provision in prior year		-	-
Statutory expenses		1,799	1,673
Telephone		4,971	6,936
		158,705	138,498
OTHER RESOURCES EXPENDED			
Bank charges		2,343	1,449
Computer expenses		5,079	4,831
General expenses		5,413	1,914
Postages		1,816	1,627
Printing and stationery		17,433	17,248
Stamp duty		-	14,433
		32,084	41,502
Total expenditures		16,171,708	15,124,043

The accompanying notes form an integral part of these financial statements

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

Statement of Financial Activities for the financial year ended 31 March 2024 (continued)

	<u>Unrestricted Funds</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Net incoming resources for the financial year	2,592,302	1,400,242
Total accumulated fund brought forward	<u>50,951,461</u>	<u>49,551,219</u>
Total accumulated fund carried forward	<u>53,543,763</u>	<u>50,951,461</u>

The accompanying notes form an integral part of these financial statements

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

Statement of Financial Position as at 31 March 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	8	6,986,404	9,121,718
Right-of-use assets	9	2,471,211	3,686,877
		9,457,615	12,808,595
<u>Current Assets</u>			
Trade receivables	10	23,711	47,231
Other receivables	11	925,054	754,013
Fixed deposits with banks	12	48,849,124	45,090,666
Cash and bank balances		2,848,476	4,255,902
		52,646,365	50,147,812
Total Assets		62,103,980	62,956,407
<u>FUNDS</u>			
<u>Unrestricted Fund</u>			
Accumulated fund		53,543,763	50,951,461
		53,543,763	50,951,461
<u>Restricted Funds</u>			
Building fund	13	3,748,790	5,623,185
Community Silver Trust fund	14	244,593	403,172
		3,993,383	6,026,357
Total Funds		57,537,146	56,977,818
<u>Non-Current Liabilities</u>			
Deferred capital grants	15	484,543	349,274
Lease liabilities	16	1,324,205	2,540,302
		1,808,748	2,889,576
<u>Current Liabilities</u>			
Trade payables	17	262,228	366,992
Other payables	18	1,249,103	1,186,973
Lease liabilities	16	1,217,112	1,149,049
Medifund and Financial Assistance Scheme accounts	19	29,643	385,999
		2,758,086	3,089,013
Total Liabilities		4,566,834	5,978,589
Total Funds and Liabilities		62,103,980	62,956,407

The accompanying notes form an integral part of these financial statements

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

Statement of Changes in Funds for the financial year ended 31 March 2024

	<u>Notes</u>	Unrestricted Fund	← Restricted Funds →		<u>Total funds</u>
		<u>Accumulated fund</u>	<u>Building fund</u>	<u>Community Silver Trust fund</u>	
		\$	\$	\$	
Balance as at 1 April 2022		49,551,219	7,497,580	144,306	57,193,105
Net incoming resources for the financial year		1,400,242	-	-	1,400,242
Net movements in building fund	13	-	(1,874,395)	-	(1,874,395)
Net movements in Community Silver Trust fund	14	-	-	258,866	258,866
Balance as at 31 March 2023		50,951,461	5,623,185	403,172	56,977,818
Net incoming resources for the financial year		2,592,302	-	-	2,592,302
Net movements in building fund	13	-	(1,874,395)	-	(1,874,395)
Net movements in Community Silver Trust fund	14	-	-	(158,579)	(158,579)
Balance as at 31 March 2024		53,543,763	3,748,790	244,593	57,537,146

The accompanying notes form an integral part of these financial statements

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

Statement of Cash Flows for the financial year ended 31 March 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net incoming resources for the financial year		2,592,302	1,400,242
Adjustments for:			
Depreciation on property, plant and equipment	6	1,208,246	1,064,221
Depreciation on right-of-use assets	9	1,215,666	1,197,254
Interest expense on lease liabilities	16	153,016	31,065
Interest income		(1,654,790)	(859,283)
Operating surplus before working capital changes		3,514,440	2,833,499
(Increase)/decrease in receivables		(170,180)	869,771
Decrease in payables		(42,634)	(915,525)
Cash generated from operations		3,301,626	2,787,745
Interest received		1,683	3,641
Net cash from operating activities		3,303,309	2,791,386
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase)/decrease in fixed deposits with original maturities over 3 months		(4,696,458)	2,909,334
Interest received		1,675,766	731,456
Purchase of property, plant and equipment	8	(1,189,140)	(435,318)
Net cash (used in)/from investing activities		(4,209,832)	3,205,472
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Net movement of Community Silver Trust fund	14	218,503	660,699
Repayment of principal portion of lease liabilities	20	(1,148,034)	(1,257,957)
Interest paid on lease liabilities	20	(153,016)	(31,065)
Net cash used in financing activities		(1,082,547)	(628,323)
Net (decrease)/increase in cash and cash equivalents		(1,989,070)	5,368,535
Cash and cash equivalents at beginning of the year		11,869,903	6,501,368
Cash and cash equivalents at end of the year	20	9,880,833	11,869,903

The accompanying notes form an integral part of these financial statements

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2024

The following notes form an integral part of the financial statements.

1. GENERAL INFORMATION

Ju Eng Home for Senior Citizens (the "Home") is an association registered under the Societies Act 1966 and the Charities Act 1994. It is also an Institution of a Public Character ("IPC") under the Ministry of Health for a period of three years till 14 May 2022. The IPC status was further renewed for a 3-year period from 15 May 2022 to 14 May 2025.

The principal activity of the Home is to operate a nursing home for senior citizens.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The Home presents its financial statements in Singapore dollar ("S\$"), which is also its functional currency. These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Financial Reporting Standards in Singapore ("FRSs"), including related Interpretations promulgated by the Accounting Standards Committee, the Societies Act 1966 and the Charities Act 1994.

During the financial year, the Home adopted all the new and amended FRSs which are relevant to the Home and are effective for the current financial year. The adoption of these Standards did not result in any substantial changes to the Home's accounting policies and have no material effect on the financial performance or financial position of the Home.

2.2 Critical Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Home's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation on Property, Plant and Equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in note 2.9 to the financial statements. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in note 8 to the financial statements.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Critical Accounting Estimates and Judgments (continued)

(A) Key Sources of Estimation Uncertainty (continued)

(ii) Expected Credit Losses on Receivables

Expected credit losses ("ECLs") are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its debtors, the Home has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

Based on the management's assessment, there are no significant ECLs on the Home's trade and other receivables as at the balance sheet date.

(iii) Leases – Estimating the Incremental Borrowing Rate

The Home cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Home would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Home 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Home estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(B) Critical Judgments made in Applying Accounting Policies

Leasehold Building

The leasehold building is depreciated over a period of 10 to 30 years even though the lease period of the land is only for 3 years expiring on 12 April 2023, with an option to further renew for another 3 years till 12 April 2026, because the Executive Committee expects with some certainty that the authorities will extend the lease term of the land. However, in the event that the Home is unable to extend the lease term of the land upon expiration, the depreciation charge for leasehold building will increase from \$2,826,142 to \$2,839,998 for the current financial year and the carrying value of the leasehold building would be \$5,679,998 as at 31 March 2024. This assumption also affects the amortisation of the capital grant fund since it pertains to grant received from Ministry of Health for the construction of the leasehold building.

2.3 FRSs issued but not yet effective

The Home has not applied any new and amended FRS that has been issued but is not yet effective. The management plans to adopt these FRSs in the first financial year commencing on or after their respective effective dates.

The management does not expect the adoption of the new and amended FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Revenue Recognition

Revenue is measured based on the consideration to which the Home expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Home satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Donations and Fund-Raising Income

Provided there is evidence of entitlement, as expressed in writing, donations and income from fund-raising programmes are recognised in profit or loss in the period of receipt or when they become receivable.

The outright donations recognised in profit or loss in the period of receipt are usually cash donations unless specifically mentioned.

(ii) Donations-in-Kind

Donations-in-kind are included in profit or loss based on an estimate of the fair value at the date of the receipt of the donations of a non-monetary asset or the grant of a right to a monetary asset. The donations are recognised if the amount of the donations can be measured reliably and there is no uncertainty that it will be received.

(iii) Programme Fees and Service Income

Programme fees and service income are recognised at a point in time when services are rendered and the performance obligations have been fulfilled.

(iv) Interest Income

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

(v) Rental Income

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

2.5 Grants

A grant is only recognised when there is reasonable assurance that the conditions attached to the grant will be complied with and that the grant will be received.

(i) Grants Related to Assets

Grants related to assets are recorded in the statement of financial position as "deferred capital grant" in the period of receipt or when there is certainty that the grant will be received, and subsequently recognised as income over the periods and in the proportions in which depreciation on those assets is charged.

(ii) Grants Related to Income

Grants related to income are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Grants (continued)

(iii) Outright Grants

Grants that are intended as compensation for expenses, or losses already incurred or for the purpose of giving immediate financial support to the Home with no future related costs are recognised as income of the period in which they become receivable.

2.6 Employee Benefits

(i) *Defined Contribution Plans*

The Home makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

(ii) *Short-term Employee Benefits*

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

2.7 Leases

The Home assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Home applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Home recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Home recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Home at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in note 2.10.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 Leases (continued)

(a) As lessee (continued)

Lease liabilities

At the commencement date of the lease, the Home recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Home and payments of penalties for terminating the lease, if the lease term reflects the Home exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Home uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Home applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases whereby the Home effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment. Income arising from such operating lease is recognised on a straight line basis over the lease term.

2.8 Income Taxes

As a registered charity under the Charities Act 1994, the Home is exempt from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

2.9 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. 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 Home and the cost of the item can be measured reliably. Property, plant and equipment costing less than \$1,000 are expensed to the statement of financial activities.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Property, Plant and Equipment (continued)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight-line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives as follows:

Furniture and fittings	3 years
Leasehold buildings	10 to 30 years
Medical, kitchen and general equipment	5 years
Motor vehicles	5 years
Office equipment	3 to 5 years
Renovation	5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year end.

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

Depreciation on leasehold buildings and renovation which were purchased with funds specifically donated for such purpose is charged directly to "Building Fund", "Community Silver Trust Fund" and "Deferred Capital Grants" respectively. Depreciation on other property, plant and equipment are recognised in the statement of financial activities.

2.10 Impairment of Non-Financial Assets

The carrying amounts of the Home's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss is charged to the statement of financial activities unless it reverses a previous revaluation, in which case, it will be charged to accumulated fund. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. 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 if no impairment loss had been recognised.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Financial Assets

Financial assets are recognised when the Home becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have ceased or expired.

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The basis of classification depends on the Home's business model and the contractual cash flow characteristics of the financial assets.

At initial recognition

At initial recognition, the Home measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of financial activities. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

At subsequent measurement

There are three prescribed subsequent measurement categories - at amortised cost, FVOCI and FVPL, depending on the Home's business model in managing the financial assets and the cash flow characteristics of the assets.

The Home's financial assets, comprising mainly of trade and other receivables and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition, as these represent contractual cash flows which represent solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

Impairment of Financial Assets

The Home assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in statement of financial activities as an impairment gain or loss.

For trade receivables, the Home applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Financial Assets (continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 in other comprehensive income for debt instruments is recognised in profit or loss.

2.12 Trade and Other Receivables

Trade and other receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Receivables with a short duration are not discounted.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value. For the purpose of the statement of cash flows, fixed deposits with original maturities of more than 3 months are excluded from cash and cash equivalents.

2.14 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the Executive Committee. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the Executive Committee retains full control to use in achieving any of its institutional purposes.

2.15 Financial Liabilities

Financial liabilities include trade and other payables and are recognised on the balance sheet when the Home becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit and loss, including derivatives, which are measured at fair value. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in statement of financial activities. Net gains or losses on derivatives include exchange differences.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Provisions

Provisions are recognised when the Home has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.17 Related Parties

A related party is defined as follows:

- (A) A person or a close member of that person's family is related to the Home if that person:
- (i) Has control or joint control over the Home;
 - (ii) Has significant influence over the Home; or
 - (iii) Is a member of the key management personnel of the Home.
- (B) An entity is related to the Home if any of the following conditions applies:
- (i) The entity and the Home are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Home or an entity related to the Home.
 - (vi) The entity is controlled or jointly controlled by a person identified in (A).
 - (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Home.

3. DONATIONS, FUND-RAISING INCOME AND EXPENSES

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Donations and fund-raising income:</u>		
Outright donations and direct appeals		
- Non-tax deductible donations-in-kind	136,002	95,130
- Non-tax deductible donations	42,122	43,527
- Tax deductible donations	525,464	328,445
	<u>703,588</u>	<u>467,102</u>
<u>Fund-raising expenses:</u>		
Direct cost incurred for fund-raising events and direct appeals	<u>-</u>	<u>-</u>

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

4. OTHER SUBVENTION FUNDS

	<u>2024</u>	<u>2023</u>
	\$	\$
COVID-19 Healthcare Award by Ministry of Health*	-	29,777
Enhanced nurses special payment	171,047	-
Jobs growth incentive	10,850	5,328
Levy transition support	2,819	4,736
Senior employment credit	26,343	25,545
Wage credit scheme	-	77,899
Workforce development grant	-	16,000
Others	26,085	14,705
	<u>237,144</u>	<u>173,990</u>

* COVID-19 Healthcare Award is a recognition in respect of contributions and dedications awarded to those qualifying staff of eligible healthcare organisations involved in the delivery of healthcare services for the fight against COVID-19 during the COVID-19 pandemic.

5. PROGRAMME FEES

Programme fees represent maintenance fees income from residents of the Home.

6. DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT

	<u>2024</u>	<u>2023</u>
	\$	\$
Depreciation charged to:		
Statement of financial activities	1,208,246	1,064,221
Building fund (note 13)	1,874,395	1,874,395
Deferred capital grants (note 15)	241,813	173,917
	<u>3,324,454</u>	<u>3,112,533</u>

7. EMPLOYEE BENEFITS EXPENSE

	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries, allowances and bonuses	6,549,715	6,420,906
Employer's contributions to Central Provident Fund	339,130	344,909
Other benefits	1,330,169	1,328,858
	<u>8,219,014</u>	<u>8,094,673</u>

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings		Leasehold buildings		Medical, kitchen and general equipment		Motor vehicles		Office equipment		Renovation		Total	
	\$		\$		\$		\$		\$		\$		\$	
<u>Cost</u>														
At 1 April 2022	641,943		38,107,535		1,119,569		193,177		297,114		1,547,312		41,906,650	
Additions	375,100		-		56,189		-		4,029		-		435,318	
Written off	(173,530)		-		(74,443)		-		(33,313)		-		(281,286)	
At 31 March 2023 and 1 April 2023	843,513		38,107,535		1,101,315		193,177		267,830		1,547,312		42,060,682	
Additions	-		-		99,400		-		24,374		1,065,366		1,189,140	
Written off	-		-		(29,790)		-		(7,651)		-		(37,441)	
At 31 March 2024	843,513		38,107,535		1,170,925		193,177		284,553		2,612,678		43,212,381	
<u>Accumulated depreciation</u>														
At 1 April 2022	641,943		26,761,397		898,710		193,177		271,577		1,340,913		30,107,717	
Charge for the year (note 6)	125,033		2,826,142		85,688		-		24,070		51,600		3,112,533	
Written off	(173,530)		-		(74,443)		-		(33,313)		-		(281,286)	
At 31 March 2023 and 1 April 2023	593,446		29,587,539		909,955		193,177		262,334		1,392,513		32,938,964	
Charge for the year (note 6)	125,033		2,826,142		96,558		-		12,048		264,673		3,324,454	
Written off	-		-		(29,790)		-		(7,651)		-		(37,441)	
At 31 March 2024	718,479		32,413,681		976,723		193,177		266,731		1,657,186		36,225,977	
<u>Carrying amount</u>														
At 31 March 2024	125,034		5,693,854		194,202		-		17,822		955,492		6,986,404	
At 31 March 2023	250,067		8,519,996		191,360		-		5,496		154,799		9,121,718	

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

9. RIGHT-OF-USE ASSETS

	<u>Land- use-right</u>
	\$
<u>Cost</u>	
At 1 April 2022	7,174,932
Effect of lease modification	<u>60,982</u>
At 31 March 2023 and 1 April 2023	7,235,914
Written off	<u>(3,589,864)</u>
At 31 March 2024	<u>3,646,050</u>
 <u>Accumulated depreciation</u>	
At 1 April 2022	2,351,783
Charge for the year	<u>1,197,254</u>
At 31 March 2023 and 1 April 2023	3,549,037
Charge for the year	1,215,666
Written off	<u>(3,589,864)</u>
At 31 March 2024	<u>1,174,839</u>
 <u>Carrying amount</u>	
At 31 March 2024	<u>2,471,211</u>
At 31 March 2023	<u>3,686,877</u>

The Home leases a parcel of land from Singapore Land Authority. This lease neither convey ownership nor purchase option of the land. The annual rent concession is subsidised by the Ministry of Health.

The right-of-use assets are depreciated over the lease period of 3 years (2023: 6 years), which is the shorter of the lease term and the useful life of the right-of-use assets.

10. TRADE RECEIVABLES

	<u>2024</u>	<u>2023</u>
	\$	\$
Trade receivables	25,571	49,091
Less: Allowance for expected credit losses	<u>(1,860)</u>	<u>(1,860)</u>
	<u>23,711</u>	<u>47,231</u>

Trade receivables are unsecured, non-interest bearing and are generally on 14 days' (2023: 14 days') terms.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

11. OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
	\$	\$
Deposits	380,405	405,689
Interest receivables	175,347	198,106
Non-trade receivables	-	4,158
Prepayment	<u>369,302</u>	<u>146,060</u>
	<u>925,054</u>	<u>754,013</u>

Non-trade receivables are unsecured, non-interest bearing and expected to be repayable on demand.

12. FIXED DEPOSITS WITH BANKS

	<u>2024</u>	<u>2023</u>
	\$	\$
Fixed deposits with original maturities		
- not more than 3 months	7,062,000	8,000,000
- between 3 and 12 months (note 20)	<u>41,787,124</u>	<u>37,090,666</u>
	<u>48,849,124</u>	<u>45,090,666</u>

The fixed deposits bear interest at rates ranging from 3.50% to 3.62% (2023: 0.30% to 4.07%) per annum.

13. BUILDING FUND

	<u>2024</u>	<u>2023</u>
	\$	\$
Balance at beginning of the year	5,623,185	7,497,580
Depreciation on leasehold buildings (note 6)	<u>(1,874,395)</u>	<u>(1,874,395)</u>
Balance at end of the year	<u>3,748,790</u>	<u>5,623,185</u>

Building fund pertains to specific public donations and government grants for the purpose of acquisition of leasehold buildings and renovations. The depreciation charged during the year was calculated on the straight-line basis as in line with the accounting policy as disclosed in note 2.9 to the financial statements.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

14. COMMUNITY SILVER TRUST FUND

	Balance at the beginning of the year	Grant received during the year	Grant utilised during the year	Net movement	Transferred to deferred capital grants upon utilisation	Balance at the end of the year
	\$	\$	\$	\$	\$	\$
<u>2024</u>						
Recurrent operating expenses	-	148,789	(148,789)	-	-	-
Covered low linkway and high linkway	-	223,183	-	223,183	-	223,183
Wound care management	26,090	-	(4,680)	(4,680)	-	21,410
Advanced washer extractors	42,816	-	-	-	(42,816)	-
Multifunctional medication carts	47,400	-	-	-	(47,400)	-
Tap on solar energy	286,866	-	-	-	(286,866)	-
Total	403,172	371,972	(153,469)	218,503	(377,082)	244,593
<u>2023</u>						
Recurrent operating expenses	-	318,918	(318,918)	-	-	-
Additional advance equipment	-	373,833	-	373,833	(373,833)	-
Wound care management	26,090	-	-	-	-	26,090
Advanced washer extractors	70,816	-	-	-	(28,000)	42,816
Multifunctional medication carts	47,400	-	-	-	-	47,400
Tap on solar energy	-	286,866	-	286,866	-	286,866
Total	144,306	979,617	(318,918)	660,699	(401,833)	403,172

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

15. DEFERRED CAPITAL GRANTS

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Balance at beginning of the year		349,274	121,358
Transferred from Community Silver Trust	14	377,082	401,833
		726,356	523,191
Less: Amortisation of deferred capital grants	6	(241,813)	(173,917)
Balance at end of the year		484,543	349,274

Deferred capital grants were amortised and recognised as grant income over the periods and in the proportions in which depreciation on those assets is charged.

16. LEASE LIABILITIES

		<u>2024</u>	<u>2023</u>
		\$	\$
<u>Current</u>			
Payable within 1 financial year		1,217,112	1,149,049
<u>Non-Current</u>			
Payable after 1 financial year but not later than 5 financial years		1,324,205	2,540,302
		2,541,317	3,689,351
<u>Maturity analysis – contractual undiscounted cash flows</u>			
Lease liabilities payable:			
Within 1 financial year		1,311,074	1,302,053
More than 1 financial year but not later than 5 financial years		1,355,902	2,665,850
Contractual undiscounted cash flows		2,666,976	3,967,903
Less: Amount representing interest		(125,659)	(278,552)
		2,541,317	3,689,351

The above lease liabilities are discounted using the Home's incremental borrowing rate of 5.00% (2023: 5.00%) per annum.

Amounts recognised in Statement of Financial Activities

		<u>2024</u>	<u>2023</u>
		\$	\$
(a) Interest expense on lease liabilities		153,016	31,065

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

17. TRADE PAYABLES

	<u>2024</u>	<u>2023</u>
	\$	\$
Trade payables	182,568	297,022
Goods and services tax payables	79,660	69,970
	<u>262,228</u>	<u>366,992</u>

Trade payables are unsecured, non-interest bearing and are normally settled within 60 days (2023: 60 days).

18. OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
	\$	\$
Accruals	245,754	223,512
Advance receipts from patients	16,205	30,543
Custody of residents' gifts	203,045	191,132
Non-trade payables	235,472	183,029
Provision of unutilised leave	125,000	123,000
Refundable deposits	423,627	435,757
	<u>1,249,103</u>	<u>1,186,973</u>

Other payables are unsecured, non-interest bearing and are normally settled within 120 days (2023: 120 days) or on demand.

19. MEDIFUND AND FINANCIAL ASSISTANCE SCHEME ACCOUNTS

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Medifund</u>		
Balance at beginning of the year	385,999	549,859
Medifund received from Ministry of Health	1,101,700	1,062,700
Interest income	262	346
Bank charges	(24)	(24)
Grants for eligible patients	(1,484,283)	(1,226,882)
Balance at end of the year (a)	<u>3,654</u>	<u>385,999</u>
<u>Financial Assistance Scheme</u>		
Balance at beginning of the year	-	-
Financial Assistance Scheme received from Ministry of Health	79,800	-
Bank charges	(30)	-
Grants for eligible patients	(53,781)	-
Balance at end of the year (b)	<u>25,989</u>	<u>-</u>
Total balance at end of the year (a)+(b)	<u>29,643</u>	<u>-</u>

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

19. MEDIFUND AND FINANCIAL ASSISTANCE SCHEME ACCOUNTS (continued)

Medifund Account is a specially designated bank account, opened in the name of Ju Eng Home For Senior Citizens, and is separately maintained for the Home's Medifund receipts and disbursements. The Medifund Account is a grant from the Medical Endowment Fund set up by the Singapore Government under the Medical and Elderly Care Endowment Schemes Act 2000 to assist needy Singaporeans in payment of medical care expenses.

The Financial Assistance Scheme (FAS) was introduced in March 2011 to support a small group of needy Permanent Residents (PRs) who are on the Medical Fee Exemption Card (MFEC) or ComCare Long-Term Assistance (LTA) for their subsidised Intermediate and Long-Term Care (ILTC) bills incurred at some MediFund-accredited nursing homes, community hospitals, chronic sick hospitals, and inpatient hospices. FAS is centrally administered by Agency of Integrated Care (AIC) FAS Committee.

All monies in the Medifund and FAS Account are deemed not to form part of the property of the Home should it goes into voluntary or compulsory liquidation. In such event, the monies shall then be vested in and paid into the Medical Endowment Fund.

20. CASH AND CASH EQUIVALENTS

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

	<u>2024</u>	<u>2023</u>
	\$	\$
Fixed deposits with banks	48,849,124	45,090,666
Cash and bank balances	<u>2,848,476</u>	<u>4,255,902</u>
Cash and cash equivalents presented in Statement of Financial Position	51,697,600	49,346,568
Less: Fixed deposits with original maturities over 3 months (note 12)	(41,787,124)	(37,090,666)
Less: Medifund and Financial Assistance Scheme accounts (note 19)	<u>(29,643)</u>	<u>(385,999)</u>
Cash and cash equivalents presented in Statement of Cash Flows	<u>9,880,833</u>	<u>11,869,903</u>

Reconciliation of liabilities arising from financing activities:

The following table summarises the changes in the Home's liabilities arising from financing activities, including both cash and non-cash changes.

	<u>Cash flows</u>			<u>Non-cash changes</u>		<u>Balance as at 31 March</u>
	<u>Balance as at 1 April</u>	<u>Repayment of principal portion</u>	<u>Payment of interest</u>	<u>Effect of lease modification</u>	<u>Accretion of interest</u>	
	\$	\$	\$	\$	\$	\$
<u>2024</u>						
Lease liabilities	3,689,351	(1,148,034)	(153,016)	-	153,016	2,541,317
<u>2023</u>						
Lease liabilities	4,886,326	(1,257,957)	(31,065)	60,982	31,065	3,689,351

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

21. RELATED PARTIES

The Home is governed by the Executive Committee which has the authority and overall responsibility for policy making, and organising and supervising the daily activities of the Home.

The Home has in-place a conflicts of interest policy which sets out procedures in requiring members of the Executive Committee and Management Working Committee to declare actual or potential conflicts of interest to the Home, and to abstain those in conflicts of interest from voting or participating in decision making in the matter. Members of the Executive Committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any.

Employee benefits expense paid to key management personnel of the Home are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Key management personnel compensation		
Salaries, allowances and bonuses	550,652	697,406
Employer's contributions to Central Provident Fund	45,911	49,469
	<u>596,563</u>	<u>746,875</u>
Number of key management personnel	<u>6</u>	<u>5</u>

The annual remuneration of the three highest paid staff who each receives remuneration exceeding \$100,000, classified in bands of \$100,000, is as follows:

	<u>Number of staff</u>	
<u>Annual remuneration</u>	<u>2024</u>	<u>2023</u>
- between \$100,001 to \$200,000	<u>3</u>	<u>3</u>

22. CAPITAL COMMITMENTS

	<u>2024</u>	<u>2023</u>
	\$	\$
Capital expenditures contracted but not provided for in the financial statements	<u>1,740,283</u>	<u>509,817</u>

The above capital commitments were in respect for designing and building a covered linkway, new concrete wall lift structure and painting works.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

23. FINANCIAL RISK MANAGEMENT

The Home is exposed to financial risks arising from its operations. The key financial risks are credit risk, liquidity risk and interest rate risk. The Executive Committee reviews and agrees on policies for managing each of these risks and they are summarised below:

23.1 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Home as and when they fall due.

(i) *Risk management*

The Home's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, including cash and cash equivalents, the Home mitigates credit risks by transacting with high credit rating counter parties and financial institutions which are regulated.

At the balance sheet date, there was no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The Home's financial assets that are subject to credit losses where the expected credit loss model has been applied are trade receivables. The Home assesses on forward looking basis the expected credit losses on its trade receivables, and recognises a loss allowance in accordance with FRS 109.

(ii) *Recognition of expected credit losses ("ECLs")*

The Home's financial assets that are subject to credit losses where the expected credit loss model has been applied are trade and other receivables. The Home assesses on forward looking basis the expected credit losses on its trade and other receivables, and recognises a loss allowance in accordance with FRS 109.

Based on the Home's historical collection trend, most trade and other receivables are assessed to have a low risk of default. Receivables are assessed on a non-collective basis to determine whether there are changes in credit risk. Lifetime expected credit losses are recognised for specific receivables for which credit risk is deemed to have increased significantly.

Based on management's assessment, the ECLs on the Home's receivables as at the balance sheet date are disclosed in note 10 to the financial statements.

23.2 Liquidity risk

Liquidity risk is the risk that the Home will encounter difficulty in meeting financial obligations due to shortage of funds.

The Home manages its operating cash flows and the availability of funding so as to ensure that a sufficient level of cash and cash equivalents is maintained to meet its working capital requirement.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

23. FINANCIAL RISK MANAGEMENT (continued)

23.2 Liquidity risk (continued)

The table below summaries the maturity profile of the Home's financial liabilities at the balance sheet date based on contractual undiscounted payments:

	<u>Within 1 year</u>	<u>After 1 year but not later than 5 years</u>	<u>Total</u>
	\$	\$	\$
<u>31 March 2024</u>			
Trade and other payables	1,087,421	-	1,087,421
Lease liabilities	<u>1,311,074</u>	<u>1,355,902</u>	<u>2,666,976</u>
	<u>2,398,495</u>	<u>1,355,902</u>	<u>3,754,397</u>
<u>31 March 2023</u>			
Trade and other payables	1,139,320	-	1,139,320
Lease liabilities	<u>1,302,053</u>	<u>2,665,850</u>	<u>3,967,903</u>
	<u>2,441,373</u>	<u>2,665,850</u>	<u>5,107,223</u>

23.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Home's financial instruments will fluctuate because of changes in market interest rates.

The Home does not have material interest-bearing financial liabilities. Its only exposure to changes in interest rates relates primarily to interest-bearing bank deposits. The Home monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Home are disclosed in note 12 to the financial statements.

24. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial Instruments Not Measured at Fair Value

Cash and cash equivalents, receivables and payables classified as current assets and current liabilities are measured at amortised cost. Financial instruments with a short duration are not discounted.

The carrying amounts of lease liabilities has been calculated by discounting the expected future cash flows using incremental borrowing rate in the lease and was assessed to approximates its fair value.

JU ENG HOME FOR SENIOR CITIZENS

(Registered under the Societies Act)

25. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments classified as financial assets and financial liabilities at amortised cost are as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Financial assets at amortised cost	51,878,044	49,587,139
Financial liabilities at amortised cost	3,628,738	4,828,671

26. RESERVE MANAGEMENT

The Home's reserves position at the balance sheet date was as follows:

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Unrestricted Fund			
- Accumulated fund		53,543,763	50,951,461
Restricted Funds			
- Building fund	13	3,748,790	5,623,185
- Community Silver Trust fund	14	244,593	403,172
		3,993,383	6,026,357
Total funds		57,537,146	56,977,818
Total expenditures for the financial year		16,171,708	15,124,043
Ratio of unrestricted fund to total expenditures		3.31	3.37

The reserves that the Home has set aside provide financial stability and the means for the development of its principal activities. The management intends to maintain the Home's reserves at a level that is adequate to fund the ongoing operations of the Home. However, total unrestricted funds shall not exceed 60 months of total expenditures.

The Executive Committee regularly reviews the amount of funds that is required to ensure that they are adequate to fulfill the continuing obligations of the Home.

The Home is not subject to externally imposed reserves management requirement.

There were no changes to the Home's approach to reserves management since the previous financial year.

27. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Home for the financial year ended 31 March 2024 were authorised for issue by the Executive Committee on 18 June 2024.

