

4S AND ITS RELATED PARTIES

[Formerly known as Sathya Sai Social Service (Singapore)]

UEN No: S96SS0160E

IPC No: IPC000246

(Registered Under the Societies Act 1966 in the Republic of Singapore)

Combined Financial Statements for the Financial Year Ended 31 March 2026

CREDO ASSURANCE LLP

Public Accountants and

Chartered Accountants of Singapore

Registration no. T15LL0120C

545 Orchard Road #10-06 Far East Shopping Centre Singapore 238882

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STATEMENT BY THE EXECUTIVE COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

In our opinion:

- (a) the combined financial statements of 4S [Formerly known as Sathya Sai Social Service (Singapore)] (the "Society") and its related parties (collectively the "Combined Group") are properly drawn up in accordance with the provisions of the Societies Act 1966, Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Combined Group as at 31 March 2026 and of the financial performance, changes in funds and cash flows of the Combined Group for the financial year ended on that date;
- (b) at the date of this statement, there are reasonable grounds to believe that the Combined Group will be able to pay its debts as and when they fall due within the next financial year; and
- (c) nothing came to our notice that caused us to believe that the receipts, expenditure, and investment of monies by the Combined Group during the financial year have not been in accordance with the provisions of the Act.

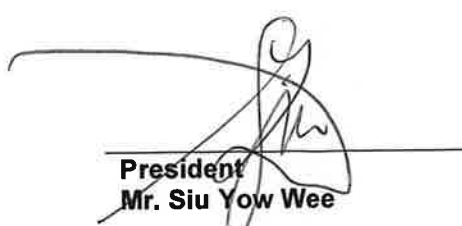
The Executive Committee, comprising the following, has authorised the issue of these financial statements on the date of this statement.

Name	Date of appointment	Position
Mr. Siu Yow Wee	28 September 2025	President
Mr. Sowaran Singh	28 September 2025	Vice-President 1
Ms. Mabel Goh Mui Ngim	28 September 2025	Vice-President 2
Ms. Lim Yen Ping Joyce	28 September 2025	Honorary Secretary
Mr. Tan Han Tong	28 September 2025	Honorary Assistant Secretary
Mr. Tay Zi Yang	28 September 2025	Honorary Treasurer
Mr. Pooi Choon Beng	28 September 2025	Honorary Assistant Treasurer
Ms. Chan Yann Lin	28 September 2025	Member
Ms. Goh Chiew Mei	28 September 2025	Member
Dr. Jagadesan Raghuram	28 September 2025	Member
Mr. Lim Kim Thye	28 September 2025	Member

Independent Auditor

Credo Assurance LLP has expressed its willingness to accept re-appointment as auditor.

For and on behalf of the Executive Committee,


President
Mr. Siu Yow Wee


Honorary Treasurer
Mr. Tay Zi Yang

Singapore, 18 September 2026

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
4S AND ITS RELATED PARTIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026****Report on the Audit of the Combined Financial Statements****Opinion**

We have audited the combined financial statements of 4S [Formerly known as Sathya Sai Social Service (Singapore)] (the "Society") and its related parties (the "Combined Group") which comprise the combined statement of financial position of the Combined Group as at 31 March 2026, and the combined statement of comprehensive income, combined statements of changes in funds and combined statement of cash flows for the financial year then ended, and notes to the combined financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying combined 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") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Combined Group as at 31 March 2026, and of the financial performance, and changes in funds and cash flows of the Combined Group 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 Auditors' Responsibilities for the Audit of the Combined financial statements section of our report. We are independent of the Combined Group 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 combined 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 Management is responsible for the other information. The other information comprises the Statement by Executive Committee included in page 1.

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

In connection with our audit of the combined 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 combined 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.

Other matters

The combined financial statements for the previous year were audited by another firm of auditors, whose report dated 26 September 2025, expressed an unqualified opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
4S AND ITS RELATED PARTIES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026****Responsibilities of the Management and Executive Committee for the Combined Financial Statements**

The Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSS, and for such internal control as the Management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Management is responsible for assessing the Combined Group'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 Management either intends to liquidate the Combined Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 Combined Group'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 Combined Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Combined Group to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
4S AND ITS RELATED PARTIES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026****Auditor's Responsibilities for the Audit of the Combined Financial Statements (Continued)**

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined 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 to be kept by the Combined Group have been properly kept in accordance with the provision of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fund-raising appeals held during the financial year ended 31 March 2026 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

- (a) the Combined Group 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 Combined Group has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



CREDO ASSURANCE LLP
Public Accountants and
Chartered Accountants
Engagement Partner: Ong Lien Wan
P.A Number: 01360

Singapore, 18 September 2026

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	2026 S\$	2025 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	8	<u>583,186</u>	<u>1,078,378</u>
Current assets			
Amount due from related parties	9	1,310,392	1,519,659
Trade and other receivables	10	2,934,434	2,918,056
Cash and cash equivalents	11	<u>18,702,633</u>	<u>13,719,453</u>
Total current assets		<u>22,947,459</u>	<u>18,157,168</u>
TOTAL ASSETS		<u><u>23,530,645</u></u>	<u><u>19,235,546</u></u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	12	<u>87,959</u>	<u>126,688</u>
Current liabilities			
Amount due to related parties	9	1,310,392	1,519,659
Trade payables	13	384,894	545,002
Other payables	14	2,863,350	1,906,665
Lease liabilities	12	<u>41,778</u>	<u>42,627</u>
Total current liabilities		<u>4,600,414</u>	<u>4,013,953</u>
TOTAL LIABILITIES		<u><u>4,688,373</u></u>	<u><u>4,140,641</u></u>
NET ASSETS		<u><u>18,842,272</u></u>	<u><u>15,094,905</u></u>
FUNDS			
RESTRICTED FUNDS			
Care and share funds	15	-	-
Community silver trust funds	16	348,595	191,535
Donation funds	17	-	843,744
Food aid programme	18	-	14,822
Funding from Tote Board	19	-	-
MOH funds	20	734,713	644,544
MSF funds	21	13,427,422	10,914,024
President's challenge	22	(1,387)	44,613
Programme funds	23	-	107,650
Seniors' mobility and enabling funds	24	149,766	149,636
Village in Eunus Crescent	25	120,395	120,395
Digital for Life funds	26	<u>(1,772)</u>	<u>(7,954)</u>
		<u>14,777,732</u>	<u>13,023,009</u>
UNRESTRICTED FUNDS			
General funds	27	<u>4,064,540</u>	<u>2,071,896</u>
TOTAL FUNDS		<u><u>18,842,272</u></u>	<u><u>15,094,905</u></u>

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

Restricted funds											Unrestricted funds	
	Community silver trust funds S\$ 2026	Donation funds S\$ 2026	Food aid programme S\$ 2026	MOH funds S\$ 2026	MSF funds S\$ 2026	President's challenge S\$ 2026	Programme funds S\$ 2026	Seniors' mobility and enabling funds S\$ 2026	Village in Eunos Crescent S\$ 2026	Digital for Life funds S\$ 2026	General funds S\$ 2026	Total funds S\$ 2026
Note												
INCOME												
Voluntary Income												
Donations	4	-	-	-	-	42,643	-	-	-	-	201,717	244,360
Financial assistance scheme		-	-	-	-	-	-	4,158	-	-	-	4,158
Government grant		-	-	-	7,174	-	-	-	-	6,182	16,755	30,111
Government subvention		-	-	-	574,483	18,346,460	-	-	-	-	812,314	19,733,257
		-	-	-	581,657	18,389,103	-	-	4,158	-	6,182	20,011,886
Income from charitable activities												
SPICE Fees		-	-	-	-	-	-	-	-	-	161,490	161,490
Other income												
CST matching grant		272,701	-	-	-	-	-	-	-	-	-	272,701
Management Income		-	-	-	-	-	-	-	-	-	2,170,762	2,170,762
Miscellaneous income		-	-	-	-	16,117	-	-	-	-	220,910	237,027
Government subvention		-	-	-	-	307,815	-	-	-	-	63,837	371,652
		272,701	-	-	-	323,932	-	-	-	-	2,455,509	3,052,142
TOTAL INCOME												
		272,701	-	-	581,657	18,713,035	-	-	4,158	-	6,182	23,225,518

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Restricted funds										Unrestricted funds	
	Community silver trust funds	Donation funds	Food aid programme	MOH funds	MSF funds	President's challenge	Programme funds	Seniors' mobility and enabling funds	Village in Eunos Crescent	Digital for Life funds	General funds	Total funds
Note	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026
	-	-	-	-	9,118	-	-	-	-	-	-	9,118
	-	-	-	-	927	-	-	-	-	-	-	927
5	6,172	-	-	49,331	2,291,021	7,785	-	-	-	-	513,082	2,867,391
6	69,297	-	-	208,400	8,874,407	38,215	-	-	-	-	321,456	9,511,775
	75,469	-	-	257,731	11,175,473	46,000	-	-	-	-	834,538	12,389,211
	-	-	-	-	-	-	-	-	-	-	162,742	162,742
	-	-	-	-	-	-	-	-	-	-	7,112	7,112
	-	-	-	50	1,247	-	-	-	-	-	229	1,526
	-	-	-	-	21,452	-	-	-	-	-	-	21,452
	-	-	-	-	-	-	-	-	-	-	8,311	8,311
8	38,633	-	-	28,125	432,328	-	-	-	-	-	46,245	545,331
7	-	-	-	1,733	-	-	-	-	-	-	1,472	3,205
	-	-	-	-	-	-	-	-	-	-	1,053	1,053
	-	-	-	10,201	15,970	-	-	-	-	-	92,324	118,495
	-	-	-	327	6,127	-	-	-	-	-	574	7,028

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

Restricted funds											Unrestricted funds	
	Community silver trust funds	Donation funds	Food aid programme	MOH funds	MSF funds	President's challenge	Programme funds	Seniors' mobility and enabling funds	Village in Eunus Crescent	Digital for Life funds	General funds	Total funds
Note	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026
Governance and other administrative costs (Continued)												
License fees	-	-	-	-	3,637	-	-	-	-	-	-	3,637
Loss on disposal of assets	-	-	-	-	234	-	-	-	-	-	-	234
Maintenance building & project pest control	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance of building	-	-	-	23,089	8,605	-	-	-	-	-	41,699	73,393
Maintenance of equipment	-	-	-	3,939	62,328	-	-	-	-	-	12,931	79,198
Maintenance of vehicle	-	-	-	-	39,370	-	-	-	-	-	-	39,370
Management fee	-	-	-	63,193	2,018,111	-	-	-	-	-	89,458	2,170,762
Meeting refreshments	-	-	-	212	5,587	-	-	-	-	-	146	5,945
Printing and stationery	366	-	-	1,697	17,925	-	-	-	-	-	2,688	22,676
Professional fees	-	-	-	5,448	746,169	-	-	-	-	-	149,191	900,808
Purchase of low value assets being expensed	1,173	-	-	7,172	159,412	-	-	4,028	-	-	2,191	173,976
Rental of equipment	-	-	-	1,805	-	-	-	-	-	-	1,167	2,972
Rental of premises	-	-	-	-	-	-	-	-	-	-	1,825	1,825
Service charge for premises	-	-	-	4,917	-	-	-	-	-	-	2,237	7,154
Staff costs	6	-	-	61,408	506,486	-	-	-	-	-	1,080,901	1,648,795
Subscription fees	-	-	-	2,165	13,203	-	-	-	-	-	34,189	49,557
Supplies and materials	-	-	-	-	51,677	-	-	-	-	-	395	52,072

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Restricted funds									Unrestricted funds		
		Community silver trust funds	Donation funds	Food aid programme	MOH funds	MSF funds	President's challenge	Programme funds	Seniors' mobility and enabling funds	Village in Eunos Crescent	Digital for Life funds	General funds	Total funds
	Note	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026	S\$ 2026
Governance and other administrative costs (continued)													
Telecommunications		-	-	-	4,179	22,290	-	-	-	-	-	2,041	28,510
Transportation		-	-	-	1,177	8,926	-	-	-	-	-	5,455	15,558
Utilities		-	-	-	11,945	882,982	-	-	-	-	-	17,914	912,841
Volunteer management		-	-	-	975	98	-	-	-	-	-	13,605	14,678
		40,172	-	-	233,757	5,024,164	-	-	4,028	-	-	1,778,095	7,080,216
Costs of fund raising activities													
Fund raising expenses		-	-	-	-	-	-	-	-	-	-	8,724	8,724
TOTAL EXPENDITURE													
		115,641	-	-	491,488	16,199,637	46,000	-	4,028	-	-	2,621,357	19,478,151
Gross transfers between funds													
		-	(843,744)	(14,822)	-	-	-	(107,650)				966,216	-
NET MOVEMENT IN FUNDS													
		-	(843,744)	(14,822)	-	-	-	(107,650)	-	-	-	966,216	-
Net surplus/ (deficit) for the year													
		157,060	-	-	90,169	2,513,398	(46,000)	-	130	-	6,182	1,026,428	3,747,367
Total funds brought forward													
		191,535	843,744	14,822	644,544	10,914,024	44,613	107,650	149,636	120,395	(7,954)	2,071,896	15,094,905
Total funds carried forward													
		348,595	-	-	734,713	13,427,422	(1,387)	-	149,766	120,395	(1,772)	4,064,540	18,842,272

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Restricted funds											Unrestricted funds		
		Care and share funds S\$ 2025	Community silver trust funds S\$ 2025	Donation funds S\$ 2025	Food aid programme S\$ 2025	Funding from Tote Board S\$ 2025	MOH funds S\$ 2025	MSF funds S\$ 2025	President's challenge S\$ 2025	Programme funds S\$ 2025	Seniors' mobility and enabling funds S\$ 2025	Village in Eunos Crescent S\$ 2025	Digital for Life funds S\$ 2025	General funds S\$ 2025	Total funds S\$ 2025
Note															
INCOME															
Voluntary Income															
	4	-	-	162,017	-	-	-	32,855	-	-	-	-	-	-	194,872
		-	-	-	-	-	-	-	-	-	-	-	-	59	59
		-	-	-	-	-	(4,245)	-	-	-	-	-	-	-	(4,245)
		-	-	-	-	-	453,502	16,115,156	-	-	1,941	(1,938)	-	1,033,010	17,601,671
		-	-	162,017	-	-	449,257	16,148,011	-	-	1,941	(1,938)	-	1,033,069	17,792,357
Income from charitable activities															
		-	-	-	-	-	-	-	-	-	-	-	-	184,369	184,369
Other income															
		-	137,550	-	-	-	-	-	-	-	-	-	-	-	137,550
		-	-	-	-	-	-	-	-	-	-	-	-	1,917,093	1,917,093
		-	-	-	-	-	7,618	12,347	-	-	-	-	-	24,357	44,322
		-	-	-	-	-	23,819	274,834	-	-	-	-	-	87,022	385,675
		-	137,550	-	-	-	31,437	287,181	-	-	-	-	-	2,028,472	2,484,640
TOTAL INCOME															
		-	137,550	162,017	-	-	480,694	16,435,192	-	-	1,941	(1,938)	-	3,245,910	20,461,366

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Restricted funds												Unrestricted funds	
	Care and share funds S\$ 2025	Community silver trust funds S\$ 2025	Donation funds S\$ 2025	Food aid programme S\$ 2025	Funding from Tote Board S\$ 2025	MOH funds S\$ 2025	MSF funds S\$ 2025	President's challenge S\$ 2025	Programme funds S\$ 2025	Seniors' mobility and enabling funds S\$ 2025	Village in Eunos Crescent S\$ 2025	Digital for Life funds S\$ 2025	General funds S\$ 2025	Total funds S\$ 2025
Note														
	-	-	-	-	-	-	12,677	-	-	-	-	-	-	12,677
	-	-	-	-	-	-	30	-	-	-	-	-	-	30
5	-	4,349	12,070	-	-	26,228	2,183,639	200	-	-	-	2,009	603,612	2,832,107
6	-	69,746	-	-	-	268,890	7,994,211	20,885	-	-	-	8,002	385,606	8,747,340
	-	74,095	12,070	-	-	295,118	10,190,557	21,085	-	-	-	10,011	989,218	11,592,154
	-	-	-	-	-	-	-	-	-	-	-	-	156,852	156,852
	-	-	-	-	-	-	-	-	-	-	-	-	4,469	4,469
	-	-	-	-	-	48	1,252	-	-	-	-	-	230	1,530
	-	-	-	-	-	-	25,883	-	-	-	-	-	-	25,883
	-	-	-	-	-	-	-	-	-	-	-	-	61,347	61,347
8	-	54,884	-	-	-	27,511	341,252	-	-	-	-	-	43,854	467,501
	-	-	-	-	-	-	4,578	-	-	-	-	-	-	4,578

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Restricted funds												Unrestrict ed funds	
		Care and share funds S\$ 2025	Commu nity silver trust funds S\$ 2025	Donation funds S\$ 2025	Food aid progra mme S\$ 2025	Funding from Tote Board S\$ 2025	MOH funds S\$ 2025	MSF funds S\$ 2025	Preside nt's challen ge S\$ 2025	Progra mme funds S\$ 2025	Seniors' mobility and enabling funds S\$ 2025	Village in Eunos Crescent S\$ 2025	Digital for Life funds S\$ 2025	General funds S\$ 2025	Total funds S\$ 2025
Governance and other administrative costs (continued)	Note														
Food and refreshments		-	-	-	-	-	-	-	-	-	-	-	-	83	83
General expenses		-	-	-	-	-	284	2,855	-	-	-	-	-	284	3,423
Insurance		-	-	-	-	-	328	6,138	-	-	-	-	-	574	7,040
License fees		-	-	-	-	-	-	250	-	-	-	-	-	-	250
Gain on disposal of property, plant and equipment		-	-	-	-	-	-	(3,000)	-	-	-	-	-	-	(3,000)
Purchase of low value assets being expensed		-	2,762	428	-	-	16,705	48,701	-	-	2,650	-	2,452	36,961	110,659
Maintenance of building		-	-	-	-	-	31,604	7,285	-	-	-	-	-	-	38,889
Maintenance of equipment		-	-	-	-	-	13,754	50,613	-	-	-	-	-	4,869	69,236
Maintenance of vehicle		-	-	-	-	-	-	39,436	-	-	-	-	-	-	39,436
Maintenance building & project pest control		-	-	-	-	-	-	-	-	-	-	-	-	42,579	42,579
Management fee		-	-	-	-	-	47,313	1,756,496	-	-	-	-	-	113,284	1,917,093
Meeting refreshments		-	-	-	-	-	96	3,309	-	-	-	-	-	39	3,444
Printing and stationery		-	380	-	-	-	3,063	17,372	115	-	-	-	-	6,967	27,897
Professional fees		-	-	-	-	-	4,816	778,314	-	-	-	-	-	215,225	998,355
Rental of equipment		-	-	-	-	-	1,805	-	-	-	-	-	-	514	2,319
Rental of premises		-	-	-	-	-	-	-	-	-	-	-	-	1,825	1,825
Service charges for premises		-	-	-	-	-	4,837	-	-	-	-	-	-	2,196	7,033

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

Restricted funds														Unrestrict ed funds	
	Note	Care and share funds S\$ 2025	Communi ty silver trust funds S\$ 2025	Donation funds S\$ 2025	Food aid progra mme S\$ 2025	Funding from Tote Board S\$ 2025	MOH funds S\$ 2025	MSF funds S\$ 2025	Preside nt's challen ge S\$ 2025	Progra mme funds S\$ 2025	Seniors' mobility and enabling funds S\$ 2025	Village in Eunos Crescent S\$ 2025	Digital for Life funds S\$ 2025	General funds S\$ 2025	Total funds S\$ 2025
Governance and other administrative costs (continued)															
Staff costs	6	-	7,095	-	-	-	-	429,004	-	-	-	-	-	1,092,649	1,528,748
Subscription fees		-	-	-	-	-	2,562	18,968	-	-	-	-	-	19,808	41,338
Supplies and materials		-	-	-	-	-	-	39,473	-	-	-	-	-	1,003	40,476
Telecommunications		-	-	-	-	-	4,901	18,454	-	-	-	-	-	2,040	25,395
Transportation		-	-	-	-	-	1,499	10,415	-	-	-	-	-	4,603	16,517
Utilities		-	-	-	-	-	12,285	882,840	-	-	-	-	-	18,797	913,922
Volunteer management		-	-	-	-	-	1,330	-	-	-	-	-	-	9,092	10,422
Finance costs	7	-	-	-	-	-	2,199	14	-	-	-	-	-	1,868	4,081
		-	65,121	428	-	-	176,940	4,479,902	115	-	2,650	-	2,452	1,842,012	6,569,620
TOTAL EXPENDITURE		-	139,216	12,498	-	-	472,058	14,670,459	21,200	-	2,650	-	12,463	2,831,230	18,161,774
Gross transfers between funds		810	-	(211,199)	-	129,060	-	210,389	-	-	-	-	-	(129,060)	-
NET MOVEMENT IN FUNDS		810	-	(211,199)	-	129,060	-	210,389	-	-	-	-	-	(129,060)	-
Net (deficit)/ surplus for the year		-	(1,666)	149,519	-	-	8,636	1,764,733	(21,200)	-	(709)	(1,938)	(12,463)	414,680	2,299,592
Total funds brought forward		(810)	193,201	905,424	14,822	(129,060)	635,908	8,938,902	65,813	107,650	150,345	122,333	4,509	1,786,276	12,795,313
Total funds carried forward		-	191,535	843,744	14,822	-	644,544	10,914,024	44,613	107,650	149,636	120,395	(7,954)	2,071,896	15,094,905

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Restricted funds												Unrestricted funds	Total funds S\$
	Care and share funds S\$	Community silver trust funds S\$	Donation funds S\$	Food aid programme S\$	Funding from Tote Board S\$	MOH funds S\$	MSF funds S\$	President's challenge S\$	Programme funds S\$	Seniors' mobility and enabling funds S\$	Village in Eunost Crescent S\$	Digital for life funds S\$	General funds S\$	
At 31 March 2024	(810)	193,201	905,424	14,822	(129,060)	635,908	8,938,902	65,813	107,650	150,345	122,333	4,509	1,786,276	12,795,313
Net surplus/(deficit) for the year	-	(1,666)	149,519	-	-	8,636	1,764,733	(21,200)	-	(709)	(1,938)	(12,463)	414,680	2,299,592
Gross transfers between funds	810	-	(211,199)	-	129,060	-	210,389	-	-	-	-	-	(129,060)	-
At 31 March 2025	-	191,535	843,744	14,822	-	644,544	10,914,024	44,613	107,650	149,636	120,395	(7,954)	2,071,896	15,094,905
Net surplus/(deficit) for the year	-	157,060	-	-	-	90,169	2,513,398	(46,000)	-	130	-	6,182	1,026,428	3,747,367
Gross transfers between funds	-	-	(843,744)	(14,822)	-	-	-	-	(107,650)	-	-	-	966,216	-
At 31 March 2026	-	348,595	-	-	-	734,713	13,427,422	(1,387)	-	149,766	120,395	(1,772)	4,064,540	18,842,272

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

4S AND ITS RELATED PARTIES

COMBINED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	2026 S\$	2025 S\$
Operating activities			
Surplus for the year		3,747,367	2,299,592
Adjustments for:			
- Amortisation of deferred capital grant	14	(77,586)	(42,095)
- Modification of lease liability	12	1,316	-
- Modification of right-of-use asset	12	640	-
- Depreciation of property, plant and equipment	8	545,331	467,501
- Finance cost	7	3,205	4,081
- Loss/(Gain) on disposal of property, plant and equipment		234	(3,000)
- Impairment loss on trade receivables	10	5,819	-
Operating cash flow before working capital changes		<u>4,226,326</u>	<u>2,726,079</u>
Changes in working capital:			
Amount due from related parties		209,267	3,947,905
Amount due to related parties		(209,267)	(3,947,905)
Trade and other receivables		(22,197)	(687,537)
Trade payables		(160,108)	78,800
Other payables		<u>1,034,271</u>	<u>109,293</u>
Net cash generated from operating activities		<u>5,078,292</u>	<u>2,226,635</u>
Investing activities			
Purchase of property, plant and equipment		(51,013)	(690,422)
Proceed on disposal of assets		<u>-</u>	<u>3,000</u>
Net cash used in investing activities		<u>(51,013)</u>	<u>(687,422)</u>
Financing activities			
Interest paid	7	(3,205)	(4,081)
Repayment of principal portion for lease liabilities	12	<u>(40,894)</u>	<u>(42,941)</u>
Net cash used in financing activities		<u>(44,099)</u>	<u>(47,022)</u>
Net increase in cash and cash equivalents		4,983,180	1,492,191
Cash and cash equivalents at 1 April		<u>13,719,453</u>	<u>12,227,262</u>
Cash and cash equivalents at 31 March	11	<u>18,702,633</u>	<u>13,719,453</u>

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

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

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

1. General information

4S [Formerly known as Sathya Sai Social Service (Singapore)] (the "Society") which was registered under the Societies Act 1966 and it is also a charity registered under the Charities Act 1994 since 25 April 1996. The Combined Group's registered address and principal place of operating activities is Blk 3 Eunos Crescent #01-2585, Singapore 400003. The Society's registration number is S96SS0160E. The Society has been accorded an Institution of Public Character ("IPC") status for the period from 1 October 2025 to 29 February 2028. The Society's IPC number is IPC000246. The principal activities of the Society are to provide social services to the destitute, elderly persons and the needy.

The combined financial statements are presented because these entities are governed by the Executive Committee, who are the final authority and has overall responsibilities for policy making and determination of all activities of the entities.

The combined financial statements comprise the combined financial statements of the Society and its two Centres together with the other four Welfare Homes which the Society acts as managing agent on behalf of Ministry of Social and Family Development ("MSF") (collectively the "Combined Group").

Centres

The Society conducts the following programmes in its centres:

(a) Tembusu Eldercare Centre

The principal activity of the Centre is to provide day care for frail elderly persons.

(b) Tembusu Seniors Activity Centre

The principal activity of the Centre is to promote general well-being of the elderly residents living in HDB.

Welfare Homes

The Society also managed the following welfare home on behalf of Ministry of Social and Family Development (MSF):

(a) Acacia Home

Acacia Home (the "AH") provides shelter, care and rehabilitation for male destitute persons. It has a bed capacity of 250. The Society took over the operations of the AH from the MSF in February 2013. The AH previously operated from a converted building until the permanent premise at Admiralty Road was ready and it shifted over in November 2016. Various social and recreational activities conducted for the well-being of its residents are organised by staff volunteers, schools and community agencies.

(b) Bukit Batok Home for the Aged

Bukit Batok Home for the Aged (the "BBHA") provides shelter, care and rehabilitation for male and female destitute persons. It has a bed capacity of 195. The Society took over the operations of the BBHA from the Ministry of Community Development, Youth and Sports in April 1997. The BBHA conducts various social and recreational activities for the well-being of its residents. Such activities are organised by staff, volunteers, schools, community agencies and grassroots organisations.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

1. General information (Continued)

Welfare Homes (Continued)

(c) Tembusu Home at Pelangi Village

Tembusu Home at Pelangi Village (the “TBH”) provides shelter, care and rehabilitation for both male and female destitute persons. It has a bed capacity of 192. The Ministry of Community Development, Youth and Sports appointed the Society as the managing agent of the TBH since June 2002. The TBH’s programmes include training in social and independent living skills, with emphasis on personal grooming and hygiene, pursuit of religious persuasions, personal enrichment and social development.

(d) Thuja Home at Pelangi Village

Thuja Home at Pelangi Village (the “TJH”) provides shelter, care and rehabilitation for mentally incapacitated female destitute persons. It has a bed capacity of 250. The Ministry of Community Development, Youth and Sports appointed the Society as the managing agent of the TJH with effect from 1 April 2007. The TJH’s programmes include personal grooming and hygiene, pursuit of religious persuasions, personal enrichment and social development.

MSF has appointed the Society as the managing agent of the above four Welfare Homes for three years commencing from 1 April 2024 to 31 March 2027, with an option to extend another 3 years. The Society has set up a Welfare Home Management Committee to help oversee the operations of the Welfare Home.

2. Material accounting policy information

2.1 Basis of preparation

These combined financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRSs”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of combined financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Combined Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the combined financial statements.

2.2 Adoption of new and amended standards and interpretations

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

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

2. Material accounting policy information (Continued)

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2026 and have not been applied in preparing these combined financial statements. The Combined Group does not plan to early adopt these standards.

Description	Effective date (annual periods beginning on or after)
Amendments to FRS 118 Presentation of Financial Statements	1 January 2027
Amendments to FRS 119 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	
Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	To be determined
To be determined	

The Executive Committee expect that the adoption of the standards above will have no material impact on the combined financial statements in the year of initial application.

2.4 Functional and presentation currency

The combined financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Combined Group.

Transactions in foreign currencies are measured in the functional currency of the Combined Group and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

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

Depreciation is calculated on a straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

2. Material accounting policy information (Continued)

2.5 Property, plant and equipment (Continued)

	<u>Years</u>
Audio and visual equipment	3 years
Computer and equipment	3 years
Electrical and electronic equipment	3 years
Equipment	3 years
Furniture and fittings	3 years
Kitchen equipment and utensils	3 years
Leasehold equipment	5 years
Leasehold property	10 years
Machinery	3 years
Medical equipment	3 years
Motor vehicles	3 years
Office and communication equipment	3 years
Other equipment	3 years
Rehab equipment	3 years
Renovation	3 years
Safety and security installation	3 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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 on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Combined Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Combined Group 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 groups 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.

Impairment losses are recognised in profit or loss.

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 profit or loss.

2. Material accounting policy information (Continued)

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

At initial recognition, the Combined Group 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 profit or loss.

Trade receivables are measured at the amount of consideration to which the Combined Group 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 trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Combined Group'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 Combined Group 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 profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in equity instruments

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

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. Material accounting policy information (Continued)**2.7 Financial instruments (Continued)****(b) Financial liabilities****Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Combined Group becomes a party to the contractual provisions of the financial instrument. The Combined Group 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, 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 profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.8 Impairment of financial assets

The Combined Group 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 Combined Group 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 the timing of the default (a lifetime ECL).

For trade receivables, the Combined Group applies a simplified approach in calculating ECLs. Therefore, the Combined Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Combined Group 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 Combined Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Combined Group may also consider a financial asset to be in default when internal or external information indicates that the Combined Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Combined Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Material accounting policy information (Continued)

2.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and fixed deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.10 Provisions

Provisions are recognised when the Combined Group 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 period 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, where appropriate, 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 Leases

The Combined Group 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.

When the Combined Group is the lessee

The Combined Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Combined Group 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 Combined Group 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 any accumulated depreciation and 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 Combined Group 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 2.6.

The Combined Group's right-of-use assets are presented within property, plant and equipment (Note 8).

2. Material accounting policy information (Continued)

2.11 Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Combined Group 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 Combined Group and payments of penalties for terminating the lease, if the lease term reflects the Combined Group 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 Combined Group 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 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.

The Combined Group's lease liabilities are disclosed in Note 12.

Short-term leases and leases of low-value assets

The Combined Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. 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 of office equipment 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.

2.12 Government grants

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

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

2. Material accounting policy information (Continued)

2.13 Employee benefits

Defined contribution plans

The Combined Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by the employees up to the reporting date.

2.14 Income

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Combined Group's activities. Income is recognised as follows:

Donations

Donation income is recognised as income upon receipt of such monies.

Government grants

Government grants are recognised when they have been approved and are accounted for in the profit or loss on accrual basis.

Other income

Other income is recognised on an accrual basis.

2.15 Income tax

The Society, which is a charity, registered under the Charities Act 1994 since 25 April 1996. Consequently, the income of the Combined Group is exempt from tax under the provisions of Section 13 of the Income Tax Act 1947.

2.16 Related party relationships and transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes:

- (a) A person or a close member of that person's family if that person:
 - (i) Has control or joint control over the reporting entity;
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2. Material accounting policy information (Continued)

2.16 Related party relationships and transactions (Continued)

- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity 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 reporting entity or an entity related to the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also related to the reporting entity.
 - (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).

2.17 Conflict of interest policy

Executive Committee members are required to disclose any interest that they may have, whether directly or indirectly, that Combined Group may enter into or in any organisations that the Combined Group has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Combined Group's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Executive Committee member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

3. Significant accounting judgement and estimates

The preparation of the Combined Group's combined financial statements requires management committee 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 period. 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.

3.1 Judgements made in applying accounting policies

The management committee members are of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation of uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Combined Group 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 Combined Group. Such changes are reflected in the assumptions when they occur.

Estimating the incremental borrowing rate

The Combined Group 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 Combined Group would have to obtain the required funding 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 Combined Group '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 Combined Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Useful lives of property, plant and equipment

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 3 to 10 years. Changes in the expected level of usage and technological development could impact on the useful economic life of these assets, therefore future depreciation charges could be revised. The carrying amount of the Society's property, plant and equipment at the end of each reporting date is disclosed in Note 8 to the financial statements.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

4. Donations

	2026 S\$	2025 S\$
Tax deductible donations	195,560	172,006
Non-tax-deductible donations	48,800	22,866
	<u>244,360</u>	<u>194,872</u>

5. Programme management expenses

	2026 S\$	2025 S\$
Enrichment programme	141,013	85,850
Food ration and supplies	734	5,463
Food items	1,875,854	1,814,160
Medical supplies and materials	135,893	172,594
Rehabilitation fees	117,972	114,906
Residents' earning allowance	113,470	102,340
Supplies and materials for residents	87,072	106,459
Supplies and materials for service users	2,387	4,920
Transport	392,996	425,415
	<u>2,867,391</u>	<u>2,832,107</u>

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

6. Staff costs

Included in the expenses expended are the following staff costs:

	2026 S\$	2025 S\$
Foreign worker levy	931,202	912,560
Medical and dental subsidies	71,235	41,298
Renewal fee of S pass and work permit	9,853	10,841
Skill development levy	7,883	6,974
Staff allowances	447,622	397,275
Staff benefits	6,844	7,765
Staff CPF contributions	955,167	934,809
Staff insurance	134,101	111,287
Staff salaries and bonuses	8,226,306	7,521,406
Staff training and development	136,158	153,881
Staff uniforms	17,365	26,573
Staff welfare	176,042	164,164
Unutilised leave	40,792	(12,745)
	<u>11,160,570</u>	<u>10,276,088</u>

The staff costs were composed of:

Costs of charitable activities	9,511,775	8,747,340
Governance and administrative costs	<u>1,648,795</u>	<u>1,528,748</u>
	<u>11,160,570</u>	<u>10,276,088</u>

The remunerations of key management personnel of the Combined Group during the financial year were as follows:

	2026 S\$	2025 S\$
Salaries and other short-term employee benefits	1,288,342	1,018,744
CPF contributions	<u>172,126</u>	<u>150,977</u>
	<u>1,460,468</u>	<u>1,169,721</u>

	2026 S\$	2025 S\$
No. of executives of the Combined Group in remuneration bands:		
Below S\$100,000	1	7
S\$100,001-S\$200,000	<u>10</u>	<u>7</u>

7. Finance costs

	2026 S\$	2025 S\$
Interest expense on:		
Lease liability (Note 12)	<u>3,205</u>	<u>4,081</u>

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

8. Property, plant and equipment

	Audio, visual, electrical and electronic equipment S\$	Computer and equipment S\$	Furniture & Fittings S\$	Kitchen medical, laundry and other equipment S\$	Leasehold equipment S\$	Machinery S\$	Motor vehicles S\$	Office and communica tion equipment S\$	Gym and rehab equipment S\$	Renovation S\$	Safety and security installation S\$	Leasehold property S\$	Total S\$
Cost													
At 1 April 2024	158,803	1,080,885	148,730	48,507	18,564	37,796	209,072	34,132	69,354	1,196,377	304,856	414,531	3,721,607
Additions	-	-	-	-	-	-	665,570	-	24,852	-	-	-	690,422
Disposal of assets	(631)	(26,722)	(8,869)	(2,465)	(18,564)	(3,536)	(142,146)	(4,753)	-	(2,635)	(28,678)	-	(238,999)
At 31 March 2025	158,172	1,054,163	139,861	46,042	-	34,260	732,496	29,379	94,206	1,193,742	276,178	414,531	4,173,030
Additions	-	42,511	-	-	-	-	-	-	8,502	-	-	-	51,013
Disposals	(7,007)	(72,047)	(9,313)	-	-	(3,451)	-	(5,625)	(8,424)	(54,995)	(12,100)	-	(172,962)
Modification	-	-	-	-	-	-	-	-	-	-	-	(640)	(640)
At 31 March 2026	151,165	1,024,627	130,548	46,042	-	30,809	732,496	23,754	94,284	1,138,747	264,078	413,891	4,050,441
Accumulated depreciation													
At 1 April 2024	127,403	604,755	148,730	48,507	15,780	37,796	209,072	34,132	46,862	1,196,377	190,521	206,215	2,866,150
Depreciation for the year	15,687	215,427	-	-	2,784	-	129,415	-	15,686	-	47,265	41,237	467,501
Disposal of assets	(631)	(26,722)	(8,869)	(2,465)	(18,564)	(3,536)	(142,146)	(4,753)	-	(2,635)	(28,678)	-	(238,999)
At 31 March 2025	142,459	793,460	139,861	46,042	-	34,260	196,341	29,379	62,548	1,193,742	209,108	247,452	3,094,652
Depreciation for the year	15,687	200,146	-	-	-	-	221,858	-	19,431	-	47,265	40,944	545,331
Disposal of assets	(7,007)	(72,047)	(9,313)	-	-	(3,451)	-	(5,625)	(8,190)	(54,995)	(12,100)	-	(172,728)
At 31 March 2026	151,139	921,559	130,548	46,042	-	30,809	418,199	23,754	73,789	1,138,747	244,273	288,396	3,467,255
Net book value													
At 31 March 2025	15,713	260,703	-	-	-	-	536,155	-	31,658	-	67,070	167,079	1,078,378
At 31 March 2026	26	103,068	-	-	-	-	314,297	-	20,495	-	19,805	125,495	583,186

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

9. Amount due from/ (to) related parties

	2026 S\$	2025 S\$
Amount due from related parties	<u>1,310,392</u>	<u>1,519,659</u>
Amount due to related parties	<u>1,310,392</u>	<u>1,519,659</u>

The amount due from/ (to) related parties are unsecured, interest free and repayable on demand.

Amount due from/ (to) related parties are denominated in Singapore Dollars.

During the financial year, the amount due from related parties were offset against the amount due to related parties.

10. Trade and other receivables

	2026 S\$	2025 S\$
Trade receivables:		
- Third parties (net)	21,865	-
Other receivables:		
- Other receivables	524,905	587,179
- Deposits	91,092	94,872
- Grant receivables	2,210,134	2,117,204
- Prepayments	<u>86,438</u>	<u>118,801</u>
	<u>2,912,569</u>	<u>2,918,056</u>
Total	<u>2,934,434</u>	<u>2,918,056</u>

Trade receivables represent care fees receivable from elderly residents.

Trade and other receivables are unsecured, interest free and repayable on demand.

	2026 S\$	2025 S\$
Trade receivables	27,684	-
Less: Allowance for expected credit losses	<u>(5,819)</u>	<u>-</u>
	<u>21,865</u>	<u>-</u>

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

10. Trade and other receivables (Continued)

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2026 S\$	2025 S\$
At 1 April	-	-
Provision for expected credit losses	5,819	-
At 31 March	<u>5,819</u>	<u>-</u>

At the date of financial year end, the carrying amounts of trade and other receivables approximated their fair values.

Trade and other receivables are denominated in Singapore Dollar.

11. Cash and cash equivalents

	2026 S\$	2025 S\$
Cash on hand	9,140	7,641
Cash in banks	18,640,485	12,658,812
Fixed deposits	<u>53,008</u>	<u>1,053,000</u>
	<u>18,702,633</u>	<u>13,719,453</u>

At the date of financial year end, the carrying amounts of cash and cash equivalents approximated their fair values.

Cash and cash equivalents are denominated in Singapore Dollar.

Fixed deposits are placed for 12 months (2025: 12 months) and carry effective interest rates at 0.28% (2025: 1.58% to 1.83%) per annum.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

12. Lease liability

The Combined Group as a lessee

The Combined Group has lease contracts for copier and properties in respect of 4S Active Ageing Centre @ Eunos Crescent and 4S Eldercare Centre @ Eunos Crescent. The Combined Group's obligations under these leases are secured by the lessor's title to the leased assets. The Combined Group is restricted from assigning and subleasing the leased assets. The Combined Group's right-of-use assets are presented within plant and equipment (Note 8) with the carrying amount of S\$125,495 (2025: S\$167,079).

(a) Carrying amount of right-of-use asset classified within property, plant and equipment

	Leasehold equipment S\$	Leasehold property S\$	Total S\$
At 31 March 2024	2,784	208,316	211,100
Amortisation	(2,784)	(41,237)	(44,021)
At 31 March 2025	-	167,079	167,079
Amortisation	-	(40,944)	(40,944)
Modification	-	(640)	(640)
At 31 March 2026	-	125,495	125,495

(b) Lease liability

The carrying amounts of lease liability and the movements during the year are disclosed as follows:

	2026 S\$	2025 S\$
Current	41,778	42,627
Non-current	87,959	126,688
	<u>129,737</u>	<u>169,315</u>

A reconciliation of liability arising from financing activities is as follows:

	1 April 2025 S\$	Cash flows S\$	Non-cash changes			31 March 2026 S\$
			Accretion of interest S\$	Transfers S\$	Modification S\$	
Lease liabilities						
- Current	42,627	(44,099)	3,205	40,040	5	41,778
- Non-current	126,688	-	-	(40,040)	1,311	87,959
	<u>169,315</u>	<u>(44,099)</u>	<u>3,205</u>	<u>-</u>	<u>1,316</u>	<u>129,737</u>

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

12. Lease liability (Continued)

(b) Lease liabilities (Continued)

	1 April 2024 S\$	Cash flows S\$	Non-cash changes		31 March 2025 S\$
			Accretion of interest S\$	Transfers S\$	
Lease liabilities					
- Current	35,604	(47,022)	4,081	49,964	42,627
- Non-current	176,652	-	-	(49,964)	126,688
	<u>212,256</u>	<u>(47,022)</u>	<u>4,081</u>	<u>-</u>	<u>169,315</u>

(c) Amount recognised in surplus or deficit

	2026 S\$	2025 S\$
Amortisation of right-of-use assets	40,944	44,021
Interest expense on lease liability	3,205	4,081
Expenses relating to short-term leases	2,992	2,339
Expenses relating to low value asset	<u>1,805</u>	<u>1,805</u>
Total amount recognised in surplus or deficit	<u>48,946</u>	<u>52,246</u>

(d) Total cash flow

The Combined Group had total cash outflows for leases (including short-term and low-value leases) of S\$48,896 (2025: S\$51,166).

13. Trade payables

	2026 S\$	2025 S\$
Amount due to third parties	<u>384,894</u>	<u>545,002</u>

At the date of financial year end, the carrying amounts of trade payables approximated their fair values.

Trade payables are unsecured, interest free and repayable on demand, denominated in Singapore Dollars.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

14. Other payables

	2026 S\$	2025 S\$
Accruals	873,872	874,830
Other payables	345,545	504,113
Provision of unutilised leaves	324,173	283,380
Provision of restoration cost	19,265	19,265
Deferred grant income	1,255,254	179,818
CPF & FWL payable	45,241	45,259
	<u>2,863,350</u>	<u>1,906,665</u>

Deferred grants consist of:

	2026 S\$	2025 S\$
Deferred grant for purchase of assets	1,187,094	174,394
Deferred grant for unutilized donations	68,160	-
Deferred grant for Job Support Scheme	-	5,424
	<u>1,255,254</u>	<u>179,818</u>

The movement of deferred grants is as follows:

	2026 S\$	2025 S\$
Balance at beginning of year	179,818	77,297
Add: Government grants received	1,153,022	144,616
Less: Amortisation for the year	(77,586)	(42,095)
Balance at end of year	<u>1,255,254</u>	<u>179,818</u>

Deferred grants relate to the purchase of property, plant and equipment from the funds received and this is subject to the terms and conditions as prescribed in the respective funding agreements. Deferred grants are recognised in the manner prescribed in Note 2.12.

At the date of financial year end, the carrying amount of other payables (other than deferred grants) approximates to fair value.

Other payables are denominated in Singapore Dollars.

15. Care and share funds

Care and share is a national fund-raising and volunteerism movement led by Community Chest for the social service sector, in celebration of SG50. It aims to bring our nation together to show care and concern for the needy and recognise the contributions made by voluntary welfare organisations (VWOs). Eligible donations raised by Community Chest and participating VWOs from 1 December 2013 till 31 March 2016 were matched dollar-for-dollar by the government. The matched amount will go towards building the capabilities and capacities of the social service sector and supporting social services to meet rising needs.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

16. Community silver trust funds

This fund is established for a matching grant of one dollar provided by the government for every donation dollar raised by the eligible organisation and to encourage more donations and provide additional resources for the service providers in the intermediate and long-term care.

17. Donation funds

The donations are to be used to benefit the residents, directly or indirectly, such as upgrading of the Combined Group's facility, in accordance with the donor's instruction.

18. Food aid programme

The Charities unit had directed that the unused funds from the overseas project are to be used on the Society's local programmes with similar purpose as that of the overseas projects. The Society's Executive Committee at its 10th (2011-2013) meeting held on 21 July 2013, decided to ring-fence the fund to be used for the food aid programme (as the programme offered food parcels to needy individuals and families).

19. Funding from Tote Board

The funds were set up to provide funding to the programme. It's restricted to the Tote Board funded Programme.

20. MOH funds

The funds were set up to provide the recurrent funding to the programme. It is restricted to MOH funded Programme.

21. MSF funds

The fund was set up to provide the recurrent funding to the programme. It is restricted to MSF funded Programme.

22. President's challenge

The President's Challenge was launched in 2000 by former President S R Nathan and continued by President Tony Tan in 2012, the President's Challenge is an annual series of events to create greater awareness of the needs of the social service voluntary sector, and to mobilise the community to help the disadvantaged and less fortunate in our midst. The Society was selected as one of the beneficiaries for President's Challenge 2023 and was allocated a sum of S\$68,783 by the President's Office for Support Squad: Caregiver's Support Programme. The President's Challenge 2023 will focus on "Caring for Caregivers" and seek to boost support for caregivers and fund programmes by social service agencies that help and empower caregivers. The campaign will continue to promote and support a broad range of social causes this year, including raising donations for 86 benefit agencies.

23. Programme funds

The Programme Funds consist of funds for specific programmes that receive grants from different agencies such as Southeast Community Development Council Collaborative Partnership Grant and SUSS-NYP Work Learn Programme. The objective of such programmes is to partner with other community stakeholders to strengthen the social service communities as well as identifying and bridging service gaps through projects for the service users.

24. Seniors' mobility and enabling funds

The Seniors' Mobility and Enabling Fund (SMF) provides holistic support for seniors to age in place within the community. It provides subsidies for Singaporean seniors who require mobility and assistive devices for daily independent living and to remain ambulant in the community, receiving government funded Centre care and day care within the community, needing Centre healthcare item for their care, and attending MOH-funded eldercare, dialysis or day hospice services which require specialised transport.

25. Village in Eunos Crescent

The Village in Eunos Crescent pilot programme aims to create a well-supported network of linkages for better health and social integration for seniors in Eunos Crescent. It is supported by the Tote Board Community Healthcare Fund, which is designed as a seed fund for social service agencies or non-profit organisations to pilot innovative programmes for the Community Care sector. It aims to help empower people to stay healthy and engaged, delay or reverse disease and frailty, and to support those who are unwell to live a good life.

26. Digital for life fund

The Digital for Life Fund is established as the flagship fund under the Digital for Life movement, to support community initiatives that promote digital literacy, wellness and inclusion across different segments of society.

27. General funds

The general funds are for the purpose of meeting operating expenses incurred by the Combined Group.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

28. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	2026 S\$	2025 S\$
Financial assets measured at amortised cost:		
Amount due from related parties	1,310,392	1,519,659
Trade and other receivables	2,847,996	2,799,255
Cash and cash equivalents	18,702,633	13,719,453
	<u>22,861,021</u>	<u>18,038,367</u>
Financial liabilities measured at amortised cost:		
Amount due to related parties	1,310,392	1,519,659
Trade and other payables	1,604,311	1,923,945
Lease liabilities	129,737	169,315
	<u>3,044,440</u>	<u>3,612,919</u>

A description of the accounting policies for each category of financial instruments is disclosed in Note 2.7 (Financial instruments). A description of the Combined Group's financial risk management objectives and policies for financial instruments is given in Note 30.

29. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties on terms mutually agreed during the financial year are as follows:

	2026 S\$	2025 S\$
Management fee	2,170,762	1,917,093
Management income charged to related parties	(2,170,762)	(1,917,093)
Receipt on behalf by related parties	(2,697,252)	(1,929,685)
Receipt on behalf by HQ	<u>2,508,403</u>	<u>1,233,183</u>

During the financial year, none of Executive Committee members received any remuneration from the Combined Group.

The Combined Group is governed by the Executive Committee, which is the final authority and has overall responsibility for policy making and determination of all activities.

The Combined Group has in place a conflict-of-interest policy. All members of Executive Committee are required to declare their interest after they have been elected to office at the annual general meeting.

30. Financial risk management

The Combined Group's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk.

The Executive Committee review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current period, the Combined Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Combined Group'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 Combined Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Combined Group. The Combined Group's exposure to credit risk arises primarily from trade and other receivables and loan to the holding Combined Group. For other financial assets (including investment securities and cash), the Combined Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Combined Group has adopted a policy of only dealing with creditworthy counterparties. The Combined Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Combined Group 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 Combined Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Combined Group has developed and maintained the Combined Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Combined Group's own trading records to rate its major customers and other debtors. The Combined Group 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; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

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.

4S AND ITS RELATED PARTIES

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

30. Financial risk management (Continued)

(a) Credit risk (Continued)

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

- There is significant 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 Combined Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Combined Group'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 >60 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 Combined Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
31 March 2026						
Trade receivables	10	I	Lifetime ECL (simplified)	27,684	(5,819)	21,865
Other receivables	10	I	12-month ECL	615,997	-	615,997
					<u>(5,819)</u>	
31 March 2025						
Other receivables	10	I	12-month ECL	682,051	-	682,051
					<u>-</u>	

30. Financial risk management (Continued)

(a) Credit risk (Continued)

Trade receivables

For trade receivables, the Combined Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Combined Group 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. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Exposure to credit risk

The Combined Group has no significant concentration of credit risk of trade receivables. The Combined Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Combined Group. Bank balances are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due but not impaired

The Combined Group has trade receivables that are past due at the end of the reporting period for which the Combined Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Other receivables

The Combined Group 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 Combined Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

Liquidity risk refers to the risk that the Combined Group will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Combined Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Combined Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Combined Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The Executive Committee are satisfied that funds are available to finance the operations of the Combined Group.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

30. Financial risk management (Continued)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Combined Group's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount S\$	Contractual cash flows S\$	2026 One year or less S\$	Two to five years S\$	More than 5 years S\$
Financial assets					
Amount due from related parties	1,310,392	1,310,392	1,310,392	-	-
Trade and other receivables	2,847,996	2,847,996	2,847,996	-	-
Cash and cash equivalents	18,702,633	18,702,633	18,702,633	-	-
	<u>22,861,021</u>	<u>22,861,021</u>	<u>22,861,021</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Amount due to related parties	(1,310,392)	(1,310,392)	(1,310,392)	-	-
Trade and other payables	(1,604,311)	(1,604,311)	(1,604,311)	-	-
Lease liabilities	(129,737)	(133,987)	(44,100)	(89,887)	-
	<u>(3,044,440)</u>	<u>(3,048,690)</u>	<u>(2,958,803)</u>	<u>(89,887)</u>	<u>-</u>
Total net undiscounted financial assets/(liabilities)	<u>19,816,581</u>	<u>19,812,331</u>	<u>19,902,218</u>	<u>(89,887)</u>	<u>-</u>
	Carrying amount S\$	Contractual cash flows S\$	2025 One year or less S\$	Two to five years S\$	More than 5 years S\$
Financial assets					
Amount due from related parties	1,519,659	1,519,659	1,519,659	-	-
Other receivables	2,799,255	2,799,255	2,799,255	-	-
Cash and cash equivalents	13,719,453	13,719,453	13,719,453	-	-
	<u>18,038,367</u>	<u>18,038,367</u>	<u>18,038,367</u>	<u>-</u>	<u>-</u>
Financial liabilities					
Amount due to related parties	(1,519,659)	(1,519,659)	(1,519,659)	-	-
Trade and other payables	(1,923,945)	(1,923,945)	(1,923,945)	-	-
Lease liabilities	(169,315)	(177,202)	(43,878)	(133,324)	-
	<u>(3,612,919)</u>	<u>(3,620,806)</u>	<u>(3,487,482)</u>	<u>(133,324)</u>	<u>-</u>
Total net undiscounted financial assets/(liabilities)	<u>14,425,448</u>	<u>14,417,561</u>	<u>14,550,885</u>	<u>(133,324)</u>	<u>-</u>

31. Fair values of assets and liabilities

(a) Fair value hierarchy

The Combined Group 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 market for identical assets or liabilities that the Combined Group 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 and liabilities not measured at fair value

Cash and cash equivalents, amount due from/(to) related parties, other receivables, other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Lease liabilities

The lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

Deferred capital grant

Deferred capital grant is a non-interest-bearing liability, and its carrying amount approximates fair value as the discount effect is not material.

32. Funds management policy

The primary objective of the Combined Group is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

33. Reserve position and policy

The Combined Group's reserve position (excluding non-current assets) for financial year ended 31 March 2026 and 31 March 2025 is as follows:

	2026 S\$	2025 S\$	Increase/ (Decrease)
A Unrestricted funds			
General funds	4,064,540	2,071,896	96%
B Restricted funds			
Care and share funds	-	-	N/A
Community silver trust fund	348,595	191,535	82%
Donation funds	-	843,744	-100%
Food aid programme	-	14,822	-100%
Funding from Tote Board	-	-	N/A
MOH funds	734,713	644,544	14%
MSF funds	13,427,422	10,914,024	23%
President's challenge	(1,387)	44,613	-103%
Programme funds	-	107,650	-100%
Seniors' mobility and enabling funds	149,766	149,636	0%
Village in Eunus Crescent	120,395	120,395	0%
Digital for life funds	(1,772)	(7,954)	-78%
C Total funds	18,842,272	15,094,905	25%
D Total annual operating expenditure	19,478,151	18,161,774	7%
E Ratio of funds to annual operating expenditure(C/D)	0.97	0.83	16%

Reference:

C. Total funds include unrestricted, restricted/designated and endowment funds.

D. Total annual operating expenditure includes expenses related to cost of charitable activities and governance and other administrative costs.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

34. Fund raising

The 4S Group is required to comply with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The total fund-raising expense of an institution of a public character for the financial year, and for every subsequent financial year, shall not exceed 30% of the total receipts from fund raising and sponsorships for that financial year.

	2026 S\$	2025 S\$
Income from generating funds		
Donations	244,360	-
Less: Fund raising expense	(8,724)	-
Adjust: Honorarium payments	1,698	-
	<u>(7,026)</u>	<u>-</u>
Net income from fundraising	<u>237,334</u>	<u>-</u>
Percentage of funds raising expense over income from generating funds	<u>2.88%</u>	<u>-</u>

35. Authorisation of financial statements for issue

The financial statements of the Combined Group for the financial year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Executive Committee on the date stated on the Statement by the Executive Committee.