



Growing Stronger Together

HEALTHSERVE LTD.

UNIQUE ENTITY NUMBER: 200615440H

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

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We are pleased to present this statement to the members of HealthServe Ltd. (the "Company") together with the audited financial statements for the financial year ended 31 December 2025.

(a) The accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and the financial performance, changes in funds and cash flows of the Company for the financial year ended.

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

The Board of Directors, on the date of this statement, authorised the issue of these financial statements.

DIRECTORS

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

Seow Soo Keng Eugene
 Jeremy Lim Fung Yen
 Chee May May Serene
 Choy Peng Wah
 Lien I-Hsien Gail
 Susan Kong Yim Pui
 Tan Thong Kwan Benjamin
 Karen Lee Shu Pei (Appointed on 1 July 2025)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

OPTIONS

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

AUDITOR

The auditor, Pinnally PAC, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors,

Seow Soo Keng Eugene
 Director

Chee May May Serene
 Director

Singapore, 26 May 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHSERVE LTD.
(Incorporated in the Republic of Singapore)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of HealthServe Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Companies Act"), the 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 Company as at 31 December 2025 and of the financial activities, changes in funds and cash flows of the Company for the year ended on that date.

BASIS FOR OPINION

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

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Director's Statement (set out on page 2) but does not include the financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act and Regulations and FRSs, for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Charities Act and Regulations.

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

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

PINNALLY PAC
Public Accountants and Chartered Accountants
Singapore

Partner-in-charge: Nick Lai Yew Len
PAB registration number: 01684

26 May 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025	2024
		S\$	S\$
ASSETS			
Non-Current Assets			
Intangible assets	4	11,509	3,884
Property, plant and equipment	5	288,778	375,349
		<u>300,287</u>	<u>379,233</u>
Current Assets			
Financial asset at fair value through profit or loss	6	5,539,709	4,034,553
Inventories	7	27,907	38,031
Other receivables	8	221,525	152,991
Fixed deposits with financial institutions	9	3,945,046	4,396,638
Cash and cash equivalents	10	2,667,724	2,969,674
		<u>12,401,911</u>	<u>11,591,887</u>
Total Assets		<u>12,702,198</u>	<u>11,971,120</u>
FUND AND LIABILITIES			
Fund			
Unrestricted fund		11,560,089	10,799,872
Restricted funds	11	104,242	133,960
Total Fund		<u>11,664,331</u>	<u>10,933,832</u>
Non-Current Liabilities			
Lease liabilities	12	150,871	211,118
Deferred income	13	-	9,638
Provision for reinstatement costs		67,460	67,460
		<u>218,331</u>	<u>288,216</u>
Current Liabilities			
Lease liabilities	12	116,670	95,764
Deferred income	13	426,817	363,853
Other payables	14	276,049	289,455
		<u>819,536</u>	<u>749,072</u>
Total Liabilities		<u>1,037,867</u>	<u>1,037,288</u>
Total Fund and Liabilities		<u>12,702,198</u>	<u>11,971,120</u>

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		2025			2024		
	Note	Unrestricted fund S\$	Restricted funds S\$	Total S\$	Unrestricted fund S\$	Restricted funds S\$	Total S\$
INCOME							
Donations							
Amortisation of deferred capital donations		-	41,008	41,008	-	104,286	104,286
Donations-in-kind		117,341	-	117,341	8,336	-	8,336
General donations		1,996,176	-	1,996,176	1,502,397	-	1,502,397
Medical fund		-	427,449	427,449	-	387,940	387,940
Mental health fund		-	370,186	370,186	-	379,325	379,325
Migrant assistance fund		-	128,935	128,935	-	143,569	143,569
		<u>2,113,517</u>	<u>967,578</u>	<u>3,081,095</u>	<u>1,510,733</u>	<u>1,015,120</u>	<u>2,525,853</u>
Grants	16	192,171	641,132	833,303	421,803	596,205	1,018,008
Clinic services and programme		44,593	86,086	130,679	36,204	40,410	76,614
Other income	17	235,528	42,943	278,471	344,924	-	344,924
Total Income		<u>2,585,809</u>	<u>1,737,739</u>	<u>4,323,548</u>	<u>2,313,664</u>	<u>1,651,735</u>	<u>3,965,399</u>
EXPENDITURE							
Amortisation of intangible assets	4	6,436	-	6,436	24,019	437	24,456
Communication and publicity		36,650	48,272	84,922	38,900	10,443	49,343
Depreciation of property, plant and equipment	5	133,720	41,008	174,728	109,046	146,106	255,152
Employee benefits expense	18	1,128,280	1,413,629	2,541,909	1,118,179	1,336,957	2,455,136
Fund-raising expenses		135,117	-	135,117	77,931	-	77,931
General and administrative		179,140	17,016	196,156	160,962	20,281	181,243
Interest on lease liabilities	12	15,190	-	15,190	14,579	1,351	15,930
Medical programme		58,186	111,291	169,477	15,605	89,764	105,369
Mental health programme		87,738	103,813	191,551	13,931	115,657	129,588
Migrant assistance programme		45,135	31,901	77,036	1,185	44,585	45,770
Research and advocacy		-	527	527	-	-	-
Total Expenditure		<u>1,825,592</u>	<u>1,767,457</u>	<u>3,593,049</u>	<u>1,574,337</u>	<u>1,765,581</u>	<u>3,339,918</u>
Surplus/(Deficit) for the year		760,217	(29,718)	730,499	739,327	(113,846)	625,481
Other comprehensive income		-	-	-	-	-	-
Total Comprehensive Income		<u>760,217</u>	<u>(29,718)</u>	<u>730,499</u>	<u>739,327</u>	<u>(113,846)</u>	<u>625,481</u>

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

STATEMENT OF CHANGES IN FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Unrestricted fund S\$	Restricted funds S\$	Total S\$
Balance at 1 January 2024	10,057,649	250,702	10,308,351
Surplus/(Deficit) for the year, representing total comprehensive income for the financial year	739,327	(113,846)	625,481
Transfer between funds	2,896	(2,896)	-
Balance at 31 December 2024	10,799,872	133,960	10,933,832
Surplus/(Deficit) for the year, representing total comprehensive income for the financial year	760,217	(29,718)	730,499
Balance at 31 December 2025	11,560,089	104,242	11,664,331

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 S\$	2024 S\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Surplus for the financial year		730,499	625,481
Adjustments:			
Amortisation of intangible assets	4	6,436	24,456
Depreciation of property, plant and equipment		174,728	255,152
Interest expense on lease liabilities		15,190	15,930
Gain on disposal of property, plant and equipment		(1,037)	(106)
Gain on early termination of lease		(14,739)	(6,775)
Fair value gain on financial assets at fair value through profit or loss		(99,593)	(130,999)
Fixed deposits interest income		(105,175)	(144,977)
Management fee rebate		(5,563)	(2,549)
Surplus before working capital changes		700,746	635,613
Changes in working capital:			
Inventories		10,124	(20,123)
Other receivables		(68,534)	(36,862)
Other payables		(13,406)	(38,656)
Deferred income		53,326	(471,262)
Net cash from operating activities		682,256	68,710
CASH FLOWS FROM INVESTING ACTIVITIES:			
Fixed deposits withdrawal/(placement), net		451,592	(102,091)
Fixed deposits interest received		105,175	159,567
Proceeds from disposal of property, plant and equipment		1,037	300
Purchase of financial assets at fair value through profit or loss		(1,400,000)	(300,000)
Purchase of intangible assets		(14,061)	(13,880)
Purchase of property, plant and equipment		(10,293)	(1,900)
Net cash used in investing activities		(866,550)	(258,004)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid on lease liabilities		(15,190)	(15,930)
Payment of principal portion of lease liabilities		(102,466)	(96,971)
Net cash used in financing activities		(117,656)	(112,901)
Net decrease in cash and cash equivalents		(301,950)	(302,195)
Cash and cash equivalents at beginning of the financial year		2,969,674	3,271,869
Cash and cash equivalents at end of the financial year	6	2,667,724	2,969,674

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

1. GENERAL

HealthServe Ltd. (the "Company") is an approved charity under the Charities Act 1994 since 25 May 2011, and has been accorded the status of an Institution of a Public Character ("IPC") for the period until 1 November 2027.

The registered address and principal place of business is 1 Lorong 23 Geylang #01-07 Building 4, Singapore 388352.

The principal activity of the Company is to educate, promote and organise healthcare services for the alleviation of ill-health ignorance and suffering.

Each member of the Company undertakes to contribute a sum not exceeding S\$1 to meet the debts and liabilities of the Company in the event of its being wound up. The Company has 4 (2024: 4) members as at 31 December 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards in Singapore (FRSs) and the disclosure requirements of the Charities Act 1994. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency. All financial information is presented in Singapore Dollar, unless otherwise indicated.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

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 Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on 1 January 2025. The adoption of these standards did not have any material effect on the financial statements of the Company.

2.3 Standards issued but not yet effective

A number of new standards and amendments to standards that have been issued are not yet effective and have not been applied in preparing these financial statements. The Company expects that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company 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, if any. 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 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 basis over the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Renovations	3 years or duration of lease agreements, whichever is shorter
Computer equipment	3 years
Furniture and fittings	3 years
Motor vehicles	5 years or remaining period of COE, whichever is shorter

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

An item of 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 Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Fund makes an estimate of the asset's recoverable amount.

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

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.

2.7 Financial Instruments

(A) Financial Assets

Initial Recognition and Measurement

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

At initial recognition, the Company 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.

Subsequent Measurement

Financial Assets at Amortised Cost

The Company's financial assets at amortised cost, comprise of receivables, fixed deposits and cash and cash equivalents, and are measured at amortised cost subsequent to initial recognition as these represent contractual cash flows which represent solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

Financial Assets at Fair Value Through Profit or Loss

The Company's financial assets at fair value through profit or loss comprise investment in cash fund. The investment is measured at fair value subsequent to initial recognition with movements in its fair value recognised in profit or loss in the period in which the changes arise. On disposal of the investment, the difference between the carrying amount and the sales proceed amount would be recognised in profit or loss.

(B) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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

A 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 Company 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 Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average costing method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.11 Provisions

Provisions are recognised when the Company 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.

2.12 Leases

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

(A) As Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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 Company 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 Company's right-of-use assets are presented within property, plant and equipment (Note 5).

Lease Liabilities

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

The Company's lease liabilities are included in Note 12.

Short-Term Leases and Leases of Low-Value Assets

The Company 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.

2.13 Revenue

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

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

(A) Donations

Donations are recognised when the Company has unconditional entitlement to the receipts. Income recognition is only deferred when the donor specifies that the donations can only be used in the future accounting periods or the donor has imposed certain conditions, which must be met before the Company has unconditional treatment.

(B) Grant Income

Grant is recognised as income when there is reasonable assurance that the conditions attached to the grant are met and that the grant will be received. Where uncertainty exists as to whether the Company can meet the conditions, the grants received are deferred as a liability until there is sufficient evidence that the conditions attached can be met.

When the grant is related to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. Grants for the purchase of depreciable assets are recognised as "deferred capital donations and grants" in the period of receipt or when there is certainty that the grants will be received, and subsequently recognised as income over the useful lives of the related assets to match the depreciation of those assets.

(C) Service Income

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

(D) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.14 Employee Benefits

(A) Defined Contribution Plans

The Company makes contributions to the Central Provident Fund scheme, a defined contribution plan in Singapore. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(B) Annual Leave

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

2.15 Income tax

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting 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

(A) Determination of Functional Currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Fund operates. Consideration factors include the currency that mainly influences sales prices of goods and services, and the currency of the country whose competitive forces and regulations mainly determines the sale prices of its goods and services.

3.2 Key Sources of Estimation 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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

(A) Useful Lives of Property, Plant and Equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

The carrying amount of the Company's property, plant and equipment as at 31 December 2025 is disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INTANGIBLE ASSETS

	Computers software S\$
Cost	
Balance at 1 January 2024	99,827
Additions	13,880
Balance at 31 December 2024	113,707
Additions	14,061
Balance at 31 December 2025	127,768
Accumulated Amortisation	
Balance at 1 January 2024	85,367
Amortisation for the year	24,456
Balance at 31 December 2024	109,823
Amortisation for the year	6,436
Balance at 31 December 2025	116,259
Net Book Value	
Balance at 31 December 2024	3,884
Balance at 31 December 2025	11,509

5. PROPERTY, PLANT AND EQUIPMENT

	Leased properties S\$	Computers and equipment S\$	Furniture and fittings S\$	Motor vehicle S\$	Renovation S\$	Total S\$
Cost						
Balance at 1 January 2024	405,887	283,279	100,066	76,000	243,313	1,108,545
Additions	368,893	3,934	1,900	-	-	374,727
Written off	(338,427)	(2,496)	-	-	(670)	(341,593)
Balance at 31 December 2024	436,353	284,717	101,966	76,000	242,643	1,141,679
Additions	309,326	52,711	2,793	-	-	364,830
Written off	(368,893)	(47,669)	-	-	-	(416,562)
Balance at 31 December 2025	376,786	289,759	104,759	76,000	242,643	1,089,947

Accumulated Amortisation

Balance at 1 January 2024	282,303	211,364	56,359	73,467	144,493	767,986
Charge for the year	112,287	36,181	19,612	2,533	84,539	255,152
Written off	(253,836)	(2,496)	-	-	(476)	(256,808)
Balance at 31 December 2024	140,754	245,049	75,971	76,000	228,556	766,330
Charge for the year	104,846	37,844	17,951	-	14,087	174,728
Written off	(92,220)	(47,669)	-	-	-	(139,889)
Balance at 31 December 2025	153,380	235,224	93,922	76,000	242,643	801,169

Net book value

Balance at 31 December 2024	295,599	39,668	25,995	-	14,087	375,349
Balance at 31 December 2025	223,406	54,535	10,837	-	-	288,778

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 20.

During the financial year, the Company acquired property, plant and equipment with an aggregate cost of S\$354,537 (2024: S\$372,827) by means of leases. The cash outflow on acquisition of property, plant and equipment for the year amounted to S\$10,293 (2024: S\$1,900).

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 S\$	2024 S\$
Quoted investments, at fair value - Investment in cash funds	5,539,709	4,034,553

The quoted investments are managed by independent fund managers.

7. INVENTORIES

Inventories mainly include medical supplies, stored value cards and personal protective equipment. The cost of inventories charged to expenditure is S\$65,391 (2024: S\$39,203).

8. OTHER RECEIVABLES

	2025 S\$	2024 S\$
Interest receivables from fixed deposits	48,988	68,570
Refundable deposits	31,120	30,500
Other receivables	126,762	5,263
Prepayments	14,655	48,658
	221,525	152,991

9. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

The fixed deposits have maturities of more than 3 months but not more than one year and earn interest at rates ranging from 1.30% to 2.30% (2024: 2.00% to 3.85%) per annum.

10. CASH AND CASH EQUIVALENTS

	2025 S\$	2024 S\$
Cash at bank	2,667,124	2,969,074
Cash on hand	600	600
	2,667,724	2,969,674

11. RESTRICTED FUNDS

2025	At 1 January S\$	Income S\$	Expenditure S\$	Transfer of funds S\$	At 31 December S\$
Medical fund (A)	55,007	529,039	(551,498)	-	32,548
Migrant assistance fund (B)	-	128,935	(128,935)	-	-
Mental health fund (C)	78,953	373,129	(416,007)	-	36,075
Restricted grant (D)	-	641,133	(641,133)	-	-
Renovation (E)	-	25,503	(25,503)	-	-
Service income for research project (F)	-	40,000	(4,381)	-	35,619
	133,960	1,737,739	(1,767,457)	-	104,242

2024	At 1 January S\$	Income S\$	Expenditure S\$	Transfer of funds S\$	At 31 December S\$
Medical fund (A)	122,120	443,855	(510,968)	-	55,007
Migrant assistance fund (B)	63,454	143,569	(207,023)	-	-
Mental health fund (C)	65,128	379,325	(362,604)	(2,896)	78,953
Restricted grant (D)	-	596,205	(596,205)	-	-
Renovation (E)	-	88,781	(88,781)	-	-
	250,702	1,651,735	(1,765,581)	(2,896)	133,960

- (A) The medical programme was set up to offer subsidised medical services to migrant workers to ensure that they have access to affordable healthcare. This fund is also used to expend our dental locum sessions for migrant workers. It is to support for its dental services to benefit disadvantaged migrant workers through the provision of affordable dental services. With this fund, HealthServe also supports migrant domestic workers in healthcare screening service. This fund is used to pay for medication, medical and dental supplies, laboratory tests, clinic/dental set ups and clinic manpower costs. The programme is on-going with some programme fundings expected to be fully utilised by December 2026.
- (B) The migrant workers assistance programme was set up to help unemployed migrant workers, workers involved in employment disputes or workers who are not paid or taken care of by irresponsible employers or employers facing business challenges. The goal is to ensure that the workers continue to have access to basic necessities. The funds are used to provide various support such as free meals, subsidised transport, other basic necessities and emergency funds.
- (C) The mental health programme was set up to support the mental well-being of the migrant workers. The programme includes various activities such as counselling, mental wellness education, peer support training as well as the 24/7 crisis helpline. The programme is on-going with some programme fundings expected to be fully utilised by December 2026.
- (D) Restricted grants relates to volunteer manager funding scheme and funding of migrant worker mental health programmes such as Peer Support Leader ("PSL") Training and Management, 24-hour crisis helpline, mental health mass education workshops. It relates to manpower costs and programme costs as well as funding of preventive health and wellness programmes for migrant workers.
- (E) The renovation fund was set up for the renovation of HealthServe's office/clinic in Geylang which was completed in year 2023.
- (F) The Scaffold funding is used to develop a structured framework that integrates case management and counselling to address Special Pass Holders' (SPH) financial, mental and social needs, through a 2-year practice research project starting from August 2025 to July 2027.

12. LEASE LIABILITIES

	2025 S\$	2024 S\$
Current	116,670	95,764
Non-current	150,871	211,118
	267,541	306,882

The effective interest rate is 5.25% (2024: 5.25%).

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

2025	At 1 January S\$	Cash flows S\$	Non-cash charges			At 31 December S\$
			Accretion of interest S\$	Lease modification S\$	New leases S\$	
Lease liabilities	306,882	(117,656)	15,190	(289,438)	352,563	267,541
	306,882	(117,656)	15,190	(289,438)	352,563	267,541

2024	At 1 January S\$	Cash flows S\$	Non-cash charges			At 31 December S\$
			Accretion of interest S\$	Lease modification S\$	New leases S\$	
Lease liabilities	122,392	(112,901)	15,930	(91,366)	372,827	306,882
	122,392	(112,901)	15,930	(91,366)	372,827	306,882

13. DEFERRED INCOME

	2025 S\$	2024 S\$
Deferred donation income	407,320	322,846
Deferred capital donations and grants	19,497	50,645
	426,817	373,491

Presented as:

Current liabilities	426,817	363,853
Non-current liabilities	-	9,638
	426,817	373,491

Deferred donation income represents donations received in support of the Company's programmes in the next financial year. Deferred donation income will be recognised as income in the period when the criteria of entitlement is met.

Deferred capital donations and grants comprise donations and grants received in relation to depreciable assets procured by the Company. These are recognised as income over the periods and in the proportions in which depreciation expenses of those assets are recorded.

14. OTHER PAYABLES

	2025	2024
	S\$	S\$
Accrued operating expenses	276,049	289,455
	<u>276,049</u>	<u>289,455</u>

15. DONATIONS

The total amount of tax-deductible donations received for the year amounted to S\$1,506,960 (2024: S\$1,311,680).

16. GRANT INCOME

	2025	2024
	S\$	S\$
Unrestricted fund		
NCSS grants	51,712	3,000
Tote Board's Enhance Fund-Raising Programme	140,459	416,537
Other grants	-	2,266
	<u>192,171</u>	<u>421,803</u>
Restricted funds		
Migrant Worker Mental Health Funding	610,575	596,205
Funding of preventive health and wellness programmes for migrant workers	30,557	-
	<u>641,132</u>	<u>596,205</u>
	<u>833,303</u>	<u>1,018,008</u>

17. OTHER INCOME

	2025	2024
	S\$	S\$
Fair value gain in financial assets at fair value through profit or loss	99,593	130,999
Fixed deposits interest income	105,175	144,977
Gain on disposal of property, plant and equipment	1,037	106
Gain on modification and early termination of lease	7,143	6,775
Management fee rebate	5,563	2,549
Service and research income	40,500	18,423
Other income	6,994	3,240
Government grants:		
- Skills Future Enterprise credit	211	492
- Special employment credit	6,169	6,053
- Wage Credit Scheme	6,086	31,310
	<u>278,471</u>	<u>344,924</u>

18. EMPLOYEE BENEFITS EXPENSE

	2025	2024
	S\$	S\$
Salaries, allowances and bonus	2,071,780	1,902,673
Secondment fees	92,614	204,180
Employer's contribution to Central Provident Fund	237,674	223,668
Staff benefits:		
- Insurance	28,137	28,654
- Training	48,224	30,045
- Others	17,025	21,276
Other staff costs	46,455	44,640
	<u>2,541,909</u>	<u>2,455,136</u>

The Company's paid staff who received remuneration exceeding S\$100,000 during the year is classified by remuneration band as follows:

	Number of staff	
	2025	2024
Annual remuneration:	1	2
- S\$100,001 to S\$200,000	<u>1</u>	<u>2</u>

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2025	2024
	S\$	S\$
Compensation of key management personnel		
Salaries, allowances and bonus	123,423	163,000
Secondment fees	92,614	132,005
Employer's contribution to Central Provident Fund	14,697	15,878
	<u>230,734</u>	<u>310,883</u>

The Company is governed by the Board of Directors. All directors are volunteers and receive no monetary remuneration for their contribution.

The total compensation of key management personnel, comprising the Chief Executive Officer and Chief Operating Officer, included in staff costs (Note 18) are as disclosed above.

There is no paid staff who is a close member of the family of the Chief Executive Officer, Chief Operating Officer or Board of Directors, who receives remuneration of more than S\$50,000 during the year (2024: Nil).

20. LEASES**Company As a Lessee**

The Company leases premises and computer and equipment with varying lease periods of between 2 to 4 years from non-related parties. The leases have varying terms and provide renewal rights.

Information about leases for which the Company is a lessee is presented below.

(i) Carrying amounts of right-of-use assets presented within property, plant and equipment

	Leased premises	Leased computer and equipment
	S\$	S\$
Balance at 1 January 2024	123,584	15,550
Additions	368,893	3,934
Written off	(84,591)	-
Depreciation charge for the year	(112,287)	(11,337)
Balance at 31 December 2024	295,599	8,147
Additions	309,326	45,211
Written off	(276,673)	-
Depreciation charge for the year	(104,846)	(13,657)
Balance at 31 December 2025	223,406	39,701

(ii) Amount recognised in profit or loss

	2025	2024
	S\$	S\$
Lease under FRS116		
Interest on lease liabilities	15,190	15,930

(iii) Amount recognised in statement of cash flows

	2025	2024
	S\$	S\$
Total cash outflow for leases	117,656	112,901

21. FINANCIAL RISK MANAGEMENT

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

No derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The key financial risks include credit risk and liquidity risk. The following provides details regarding the Company's exposure to the risks and the objectives, policies and processes for the management of these risks.

21.1 Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables. For other financial assets (including investment in cash fund, cash and cash equivalents and fixed deposits), the Fund minimises credit risk by dealing with high credit rated counterparties.

At reporting date, the carrying amounts of other receivables, cash and cash equivalents, and fixed deposits represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

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

	Note	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
31 December 2025					
Other receivables	8	12-month ECL	206,870	-	206,870
Cash and cash equivalents	10	12-month ECL	2,667,724	-	2,667,724
Fixed deposits	9	12-month ECL	3,945,046	-	3,945,046
				-	

	Note	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
31 December 2024					
Other receivables	8	12-month ECL	104,333	-	104,333
Cash and cash equivalents	10	12-month ECL	2,969,674	-	2,969,674
Fixed deposits	9	12-month ECL	4,396,638	-	4,396,638
				-	

21.2 Liquidity Risk

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

To manage liquidity risk, the Company monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents. Management reviews its working capital requirements regularly.

The contractual undiscounted cash flows of other payables and lease liabilities are equivalent to their carrying amounts and are repayable with details as follows:

	2025			Total S\$
	One year or less S\$	Two to five years S\$	More than five years S\$	
2025				
Lease liabilities	116,670	150,871	-	267,541
Other payables	276,049	-	-	276,049
	392,719	150,871	-	543,590
2024				
Lease liabilities	109,037	222,799	-	331,836
Other payables	289,455	-	-	289,455
	398,492	222,799	-	621,291

21.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their borrowings.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the financial year.

22. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of financial instruments in each of the following categories are as follows:

	2025 S\$	2024 S\$
Financial assets at fair value through profit or loss:		
Quoted investments in cash funds	5,539,709	4,034,553
Financial assets measured at amortised cost:		
Other receivables	206,870	104,333
Fixed deposits	3,945,046	4,396,638
Cash and cash equivalents	2,667,724	2,969,674
	6,819,640	7,470,645

22. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

	2025 S\$	2024 S\$
Financial assets measured at amortised cost:		
Lease liabilities	267,541	306,882
Other payables	276,049	289,455
	543,590	596,337

23. FAIR VALUE OF ASSETS AND LIABILITIES

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

- (i) Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly or indirectly; and
- (iii) Level 3 – Unobservable inputs for the asset or liability.

The fair values of the Company's financial assets at fair value through profit or loss are based on quoted market prices as at the reporting date and are classified under Level 1 of the fair value hierarchy.

The carrying amounts of other receivables, cash and cash equivalents, fixed deposits and other payables approximate their fair values due to the short-term nature of these balances. The carrying amounts of 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.

24. FUND MANAGEMENT

The Company's objective is to safeguard its assets, to effectively and efficiently manage the usage of available capital resources towards supporting the Company's principal and related activities and ensuring long-term sustainability. The Company's overall strategy remains unchanged since prior year.

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Director's Statement.

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*Thank you for sharing our vision of a
society where every migrant worker lives
a life of health, well-being and dignity.*

HealthServe Ltd.

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