

**NATIONAL ARTHRITIS FOUNDATION  
(Registered in the Republic of Singapore)  
(UEN: S84SS0010J)**

**AUDITED FINANCIAL STATEMENTS AND  
OTHER INFORMATION  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

**NATIONAL ARTHRITIS FOUNDATION  
(UEN: S84SS0010J)**

**THE BOARD**

<b><u>Name</u></b>	<b><u>Position on Board</u></b>
Benjamin Gaw Ying Charn	Chairman
Anindita Santosa	Deputy Chairman
Yeoh Soon Hwa	Honorary Secretary
Fang Lee Wei	Honorary Treasurer (Appointed on 28 May 2025)
Felix Wang Twe Feng	Board Member
John Steven Manning	Board Member
Yeong Wai Teck	Board Member
Adrian Lau Cheng Kiang	Board Member
Stacey Margaret Har Yin	Board Member
Prudence Chan Ping Meng	Board Member
Daphne Ng Swee Lin	Board Member
Choo Chai Leong	Board Member
Stuart George Anderson Pearce	Board Member (Appointed on 6 February 2026)
Sheetal Vishal Doshi	Board Member (Appointed on 6 February 2026)

**REGISTERED OFFICE**

420 North Bridge Road  
#03-38 North Bridge Centre  
Singapore 188727

**AUDITOR**

Kreston David Yeung PAC

**BANKERS**

DBS Bank Limited  
Maybank Singapore Limited

**INDEX**

	<b>Page</b>
Statement by the The Board	2
Independent Auditor's Report	3 - 5
Statement of Financial Position	6
Statement of Financial Activities	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 – 30

**NATIONAL ARTHRITIS FOUNDATION  
(UEN: S84SS0010J)**

**STATEMENT BY THE BOARD**

In our opinion,

- (i) the financial statements set out on pages 6 to 30 are properly drawn up in accordance with the provisions of the Societies Act 1966, the Charities Act 1994 and other relevant regulations and the Singapore Financial Reporting Standards, so as to present fairly, in all material respects, the state of affairs of National Arthritis Foundation (the "Foundation") as at 31 December 2025 and the results, changes in funds and cash flows of the Foundation for the year then ended; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board members approved and authorised these financial statements for issue.

On behalf of The Board,



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**BENJAMIN GAW YING CHARN**  
Chairman



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**FANG LEE WEI**  
Honorary Treasurer

**28 APR 2026**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J)**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of National Arthritis Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2025, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Foundation for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the Societies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2025 and the results, changes in funds and cash flows of the Foundation 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 Foundation 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 Statement by the Board (set out on page 2) and the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J) (Continued)**

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J) (Continued)**

*Auditor's Responsibilities for the Audit of the Financial Statements (Continued)*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirements**

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

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

- a) the Foundation has not used the donation money in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

**KRESTON DAVID YEUNG PAC**  
**Public Accountants and**  
**Chartered Accountants**

Singapore, **28 APR 2026**

**KRESTON DAVID YEUNG PAC** (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network  
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Tel: 6223 7979 Fax: 6222 7979

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2025**

	Note	2025 S\$	2024 S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	3	3,948	-
Intangible asset	4	31,200	40,560
Right-of-use assets	5	66,462	17,745
<b>Total non-current assets</b>		<u>101,610</u>	<u>58,305</u>
<b>Current assets</b>			
Other receivables, deposits and prepayments	6	325,485	54,660
Cash and bank balances	7	2,422,600	2,634,042
<b>Total current assets</b>		<u>2,748,085</u>	<u>2,688,702</u>
<b>Total assets</b>		<u>2,849,695</u>	<u>2,747,007</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred capital grants	8	20,029	20,448
Lease liability	9	20,317	-
		<u>40,346</u>	<u>20,448</u>
<b>Current liabilities</b>			
Trade payables		10,089	1,559
Accrued operating expenses		64,646	5,844
Deferred capital grants	8	8,040	6,134
Lease liability	9	47,004	18,883
<b>Total current liabilities</b>		<u>129,779</u>	<u>32,420</u>
<b>Total liabilities</b>		<u>170,125</u>	<u>52,868</u>
<b>Net Assets</b>		<u>2,679,570</u>	<u>2,694,139</u>
<b>FUNDS</b>			
<b>Restricted fund</b>			
Juvenile Arthritis Fund	10	132,787	143,444
President's Challenge Fund	11	163,902	228,149
<b>Unrestricted funds</b>			
General fund		1,857,264	1,791,585
Patient Subsidy Care Fund	12	525,617	530,961
<b>Total funds</b>		<u>2,679,570</u>	<u>2,694,139</u>

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION  
(UEN: S84SS0010J)

STATEMENT OF FINANCIAL ACTIVITIES  
For the financial year ended 31 December 2025

	Note	Unrestricted Funds		Restricted Funds		2025 Total	2024 Total								
		General Fund	Patient Subsidy Care Fund	Juvenile Arthritis Fund	President's Challenge Fund			2025	2024						
										SS	SS	SS	SS	SS	SS
<b>INCOME</b>															
<i>Income from generated funds</i>															
Voluntary income															
- outright donations		27,022	-	-	-	27,022	35,698								
- memberships		3,160	-	-	-	3,160	1,720								
	13	30,182	-	-	-	30,182	37,418								
<i>Activities for generating funds - funds raising</i>															
- Indoor golf	14	-	-	-	-	-	34,510								
- Roadshows donation	15	2,862	-	-	-	2,862	7,157								
- Charity Draw	16	75	-	-	-	75	-								
- Keppel Club Charity Golf	17	141,272	-	-	-	141,272	78,792								
- Charity Golf 2025	18	471,890	-	-	-	471,890	-								
- Gala Dinner	19	-	-	-	-	-	589,123								
- You can help soothe the pain 2023	20	-	-	-	-	-	5,606								
		616,099	-	-	-	616,099	715,188								
<i>Income from charitable activities</i>															
- Physiotherapy service		81,875	-	-	-	81,875	11,880								
- Exercise fees		8,299	-	-	-	8,299	250								
- Events and talk :-															
- Arthritis Awareness Campaign	21	288	-	-	-	288	536								
- Disease Awareness Campaign	22	8,415	-	-	-	8,415	-								
- Events (donation in-kind)		19,447	-	13,425	-	32,872	10,512								
- Others		633	-	-	-	633	50								
		118,957	-	13,425	-	132,382	23,228								
<i>Other income</i>															
- Amortisation of deferred capital grant	8	8,040	-	-	-	8,040	4,090								
- Government grants - others	23	39,137	-	-	-	39,137	22,863								
- Interest income		50,962	-	822	-	51,784	40,786								
- Miscellaneous		163	-	-	-	163	-								
		98,302	-	822	-	99,124	67,739								
<b>TOTAL INCOME</b>		<b>863,540</b>	<b>-</b>	<b>14,247</b>	<b>-</b>	<b>877,787</b>	<b>843,573</b>								
<b>EXPENDITURES</b>															
<i>Costs of generating funds</i>															
- Advertisement		76	-	-	-	76	-								
- Amortisation of intangible asset	4	9,360	-	-	-	9,360	6,240								
- Costs of fund raising activities	24	110,935	-	-	-	110,935	106,763								
- Donation in kind		19,447	-	-	-	19,447	6,523								
		139,818	-	-	-	139,818	119,526								
<i>Charitable activities</i>															
- Medical subsidy		-	5,344	2,936	-	8,280	15,929								
- JIA Day (include donation in kind)		-	-	21,968	-	21,968	12,742								
- Physiotherapy fee		49,300	-	-	64,247	113,547	17,351								
- Exercise services		26,984	-	-	-	26,984	2,880								
- World Arthritis Day		796	-	-	-	796	-								
- Workshop event		6,499	-	-	-	6,499	119								
		83,579	5,344	24,904	64,247	178,074	49,021								
<i>Other expenditures</i>															
	25	574,464	-	-	-	574,464	460,561								
<b>TOTAL EXPENDITURE</b>		<b>(797,861)</b>	<b>(5,344)</b>	<b>(24,904)</b>	<b>(64,247)</b>	<b>(892,356)</b>	<b>(629,108)</b>								
<b>SURPLUS/(DEFICIT) BEFORE TAXATION</b>		<b>65,679</b>	<b>(5,344)</b>	<b>(10,657)</b>	<b>(64,247)</b>	<b>(14,569)</b>	<b>214,465</b>								
Taxation	27	-	-	-	-	-	-								
<b>NET MOVEMENT IN FUNDS</b>		<b>65,679</b>	<b>(5,344)</b>	<b>(10,657)</b>	<b>(64,247)</b>	<b>(14,569)</b>	<b>214,465</b>								
<b>Balance at beginning of year</b>		<b>1,791,585</b>	<b>530,961</b>	<b>143,444</b>	<b>228,149</b>	<b>2,694,139</b>	<b>2,479,674</b>								
<b>Balance at end of year</b>		<b>1,857,264</b>	<b>525,617</b>	<b>132,787</b>	<b>163,902</b>	<b>2,679,570</b>	<b>2,694,139</b>								

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**STATEMENT OF CHANGES IN FUNDS**  
**For the financial year ended 31 December 2025**

	<--- Unrestricted --->		<-Restricted->		Total S\$
	General Fund S\$	Patient Subsidy Care Fund S\$	Juvenile Arthritis Fund S\$	President's Challenge Fund S\$	
Balance as at 01.01.2024	1,548,944	545,624	147,606	237,500	2,479,674
- Net surplus/(deficit) for the year	242,641	(14,663)	(4,162)	(9,351)	214,465
Balance as at 31.12.2024/01.01.2025	1,791,585	530,961	143,444	228,149	2,694,139
- Net surplus/(deficit) for the year	65,679	(5,344)	(10,657)	(64,247)	(14,569)
Balance as at 31.12.2025	1,857,264	525,617	132,787	163,902	2,679,570

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 December 2025**

	2025	2024
Note	S\$	S\$
<b>Cash flows from operating activities</b>		
(Deficit)/Surplus for the year	(14,569)	214,465
Adjustments for:-		
Amortisation of deferred capital grant	(8,040)	(4,090)
Amortisation of intangible asset	9,360	6,240
Depreciation of plant and equipment	696	148
Depreciation of right-of-use assets	45,111	42,587
Gain on disposal of plant and equipment	(240)	-
Interest expense	1,255	1,928
Interest income	<u>(51,784)</u>	<u>(40,786)</u>
<b>Net cash flows before working capital changes</b>	(18,211)	220,492
(Increase)/Decrease in other receivables, deposits and prepayments.	(269,181)	27,793
Increase in accruals and trade payables	<u>67,332</u>	<u>618</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(220,060)</u>	<u>248,903</u>
<b>Cash flows from investing activities</b>		
Proceed from capital grant	9,527	-
Proceed from disposal of plant and equipment	240	-
Payment for intangible asset	-	(9,320)
Purchase of plant and equipment	(4,644)	-
Interest received	50,140	36,655
Increase in fixed deposits	<u>(70,000)</u>	<u>(270,677)</u>
<b>Net cash used in investing activities</b>	<u>(14,737)</u>	<u>(243,342)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(1,255)	(1,928)
Payment of principal portion of lease liabilities	<u>(45,390)</u>	<u>(42,883)</u>
<b>Net cash used in financing activities</b>	<u>(46,645)</u>	<u>(44,811)</u>
<b>Net decrease in cash and cash equivalents</b>	(281,442)	(39,250)
<b>Cash and cash equivalents at beginning of year</b>	<u>804,042</u>	<u>843,292</u>
<b>Cash and cash equivalents at end of year</b>	7 <u>522,600</u>	<u>804,042</u>

The notes set out on pages 10 to 30 form an integral part of and should be read in conjunction with this set of financial statements.

**NATIONAL ARTHRITIS FOUNDATION  
(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**1. GENERAL**

National Arthritis Foundation (“Foundation”) is a non-profit organisation registered as a society on 27 June 1984, and subsequently became a registered charity on 15 April 1985. Its IPC status was renewed on 5 December 2025 for a period of 3 years till 4 December 2028.

The principal activities of the Foundation are providing medical subsidies to underprivileged arthritis patients, supporting research, and educating the community on the disease to help arthritis sufferers lead productive lives while promoting healthy living to alleviate arthritis incidence in Singapore.

The registered office of the Foundation which is domiciled in Singapore, is located at 420 North Bridge Road, #03-38 North Bridge Centre, Singapore 188727.

The Board authorised the financial statements for issue on 28 April 2026.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

**a) Basis of Preparation**

The financial statements of the Foundation have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the Foundation has adopted all the new and amended FRS that are relevant to its operations and effective for annual period beginning on or after 1 January 2025. The adoption of these standards has no material effect on the financial statements.

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

**b) Significant Accounting Estimates and Judgements**

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Management is of the opinion that there are no critical estimates/judgements involved that have a significant effect on the amounts recognised in the financial statements.

**c) Plant and Equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**c) Plant and Equipment (Continued)**

The residual values, useful life and depreciation method are reviewed at end of each reporting period, and adjusted prospectively as appropriate. The effects of any revision are recognised in statement of financial activities when the changes arise.

Depreciation is calculated on the straight-line method to write off the costs of the plant and equipment over their estimated useful lives as follows:-

Computers	3 - 5 years
Furniture and fittings	5 - 10 years
Office equipment	5 years

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 arising on derecognition of the asset is included in statement of financial activities in the year the asset is derecognised.

**d) Intangible Asset –Computer software**

Computer software – DMS Donation Management System is initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Costs associated with maintaining the computer software are expenses off when incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible asset are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

**e) Functional and Presentation Currencies**

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates (the “functional currency”). The financial statements of the Foundation are presented in Singapore dollar (“SGD”), which is the functional currency of the Foundation.

The monetary financial assets and liabilities are denominated in SGD unless otherwise indicated.

**f) Impairment of Non-Financial Assets**

The Foundation assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Foundation makes an estimate of the asset’s recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) **Impairment of Non-Financial Assets** (Continued)

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 the statement of financial activities in those expense categories consistent with the function of the impaired asset.

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 asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of financial activities.

g) **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 Foundation 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 statement of financial activities.

Trade receivables are measured at the amount of consideration to which the Foundation 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*

Debt instruments

Subsequent measurement of debt instruments depends on the Foundation'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 Foundation only has debt instruments at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

g) **Financial Instruments** (Continued)

(a) **Financial Assets** (Continued)

*Subsequent measurement* (Continued)

Debt instruments (Continued)

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 statement of financial activities when the assets are derecognised or impaired, and through the amortisation process.

*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 is recognised in statement of financial activities.

(b) **Financial Liabilities**

*Initial recognition and measurement*

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

Financial liabilities are recognised initially at fair value, plus, net of directly attributable transaction costs.

*Subsequent measurement*

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**g) Financial Instruments (Continued)**

**(c) Offsetting of Financial Instruments**

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legal enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**h) Impairment of Financial Assets**

The Foundation 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 Foundation 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).

**i) Cash and Cash Equivalents**

For the purpose of presentation in statement of cash flows, cash and cash equivalents comprise cash on hand and at banks and exclude fixed deposits mature more than 3 months which are subject to insignificant risk of changes in value.

**j) Provisions**

Provisions are recognised when the Foundation has a present legal or constructive obligation 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 a reliable estimate can be made of the amount of the obligation. Provision are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

**k) Income Recognition**

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**k) Income Recognition (Continued)**

Revenue is recognised when the Foundation 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.

Income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Foundation has unconditional entitlement.

**i) Donations**

Income from donations are accounted for when received, except for committed donations.

**ii) Rendering of services**

Income from rendering of services which include exercise programme and events are recognised when the services are rendered.

**iii) Physiotherapy fee**

Revenue is recognised when the physiotherapy services are rendered.

**iv) Donations in kind**

A donations-in-kind (if any) is included in statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

**v) Membership fee**

Membership fee income mainly from the life membership is recognised when received.

**vi) Interest income**

Interest income is recognised using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**l) Government grant**

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred grant is recognised in the statement of financial activities over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses are recognised in the statement of financial activities over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

**m) Employee Benefits**

*Defined Contribution Plans*

As required by law, the Foundation makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same year as the employment that gives rise to the contribution.

**n) Key Management Personnel**

Key management personnel are those having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The Members of The Board and Executive Director are considered as key management personnel of the Foundation.

**o) Leases**

The Foundation 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.

As lessee

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

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

o) Leases (Continued)

As lessee (Continued)

*Right-of-use asset* (Continued)

If ownership of the leased asset transfers to the Foundation 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 asset is also subject to impairment. The accounting policy for impairment is disclosed in Note 2(f) to the financial statements.

The Foundation's right-of-use assets is disclosed Note 4 to the financial statements.

*Lease liabilities*

At the commencement date of the lease, the Foundation recognises lease liability 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.

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

*Short-term leases and leases of low-value assets*

The Foundation has applied the short-term lease recognition exemption to its short-term leases of office premises (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). 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.

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**p) Funds Structure**

Unrestricted funds comprise the “General Fund” and “Patient Subsidy Care Fund” which are available for use at the discretion of the management in furtherance of the Foundation’s purposes.

Restricted funds are represented by “Juvenile Arthritis Fund” and “President’s Challenge Fund” which are subject to restriction on their expenditures according to the term and nature of the appeal and purpose approved.

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

**3. PLANT AND EQUIPMENT**

	Office Equipment S\$	Furniture and Fittings S\$	Computers S\$	Total S\$
<b>Cost</b>				
At 01.01.2024/31.12.2024/01.01.2025	3,014	2,358	7,935	13,307
Additions	-	-	4,644	4,644
Disposal	-	-	(2,860)	(2,860)
At 31.12.2025	3,014	2,358	9,719	15,091
<b>Accumulated Depreciation</b>				
At 01.01.2024	3,014	2,210	7,935	13,159
Charge for the year	-	148	-	148
At 31.12.2024/01.01.2025	3,014	2,358	7,935	13,307
Charge for the year	-	-	696	696
Disposal	-	-	(2,860)	(2,860)
At 31.12.2025	3,014	2,358	5,771	11,143
<b>Carrying amount</b>				
At 31.12.2025	-	-	3,948	3,948
At 31.12.2024	-	-	-	-

During the year, the acquisition of computers was 80% funded by “Charities Capability Fund-Info-Communications Technology Grant”. The Foundation received grant of S\$3,715 (2024: S\$NIL) during the year.

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**4. INTANGIBLE ASSET**

	Software S\$
Cost	
At 01.01.2024	-
Addition	46,800
	<hr/>
At 31.12.2024/01.01.2025/31.12.2025	46,800
	<hr/>
Accumulated amortisation	
At 01.01.2024	-
Amortisation for the year	6,240
	<hr/>
At 31.12.2024	6,240
Addition	9,360
	<hr/>
At 31.12.2025	15,600
	<hr/>
Carrying amount	
At 31.12.2025	31,200
At 31.12.2024	40,560
	<hr/>

In 2024, the acquisition of intangible asset – DMS Donation Management System was partially funded by “Community Capability Trust (Tech-and-Go! Start Digital)” of NCSS amounted to S\$30,672 (Note 8). The grant was received in year 2023. During the year, the Foundation received S\$5,812 (Note 8) from NCSS.

**5. RIGHT-OF-USE ASSETS**

	2025 S\$	2024 S\$
<u>Office premises</u>		
Cost		
At beginning of year	85,174	85,174
Additions	93,828	-
	<hr/>	<hr/>
At end of year	179,002	85,174
Less: Accumulated depreciation		
At beginning of year	67,429	24,842
Charge for the year	45,111	42,587
	<hr/>	<hr/>
At end of year	112,540	67,429
Carrying amount	66,462	17,745
	<hr/>	<hr/>

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	2025	2024
	S\$	S\$
Deposits	8,380	8,980
Prepayments	10,814	7,690
Other receivables	1,757	-
Grant receivable from Singapore Totalisator Board		
- Enhanced Fund-Raising Programme	114,900	-
Grant receivable from Government		
- Enhanced Fund-Raising Programme	150,000	-
Interest receivable	39,634	37,990
	<u>325,485</u>	<u>54,660</u>

Tote Board's Fund-Raising Programme serves as a catalyst to encourage the community to better meet the needs of the underserved in the community. In financial year 2020, to help charities during the difficult Covid-19 period, Tote Board and the Government provided joint support through Enhanced Fund-Raising Programme at a dollar-for-dollar matching up to S\$250,000. The joint support from Tote Board and the Government has been extended until the end of year 2027.

**7. CASH AND BANK BALANCES**

	2025	2024
	S\$	S\$
Fixed deposits	1,900,000	1,830,000
Bank balances	<u>522,600</u>	<u>804,042</u>
Cash and bank balances	2,422,600	2,634,042
Less: Fixed deposits mature more than 3 months	<u>(1,900,000)</u>	<u>(1,830,000)</u>
	<u>522,600</u>	<u>804,042</u>
Cash and cash equivalents as presented in the statement of cash flows	<u>522,600</u>	<u>804,042</u>

The fixed deposits are re-priced for a period of 12 months (2024: 12 months) which earn interest ranging at 2.6% to 2.7% (2024: ranging at 0.2% to 3.95%) per annum during the year.

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**8. DEFERRED CAPITAL GRANTS**

	2025	2024
	S\$	S\$
Balance at beginning of year	26,582	30,672
Receipts during the year	9,527	-
	<u>36,109</u>	<u>30,672</u>
Less: Amortisation	(8,040)	(4,090)
Balance at end of year	<u>28,069</u>	<u>26,582</u>
Presented as:		
- Current liability	8,040	6,134
- Non-current liability	20,029	20,448
	<u>28,069</u>	<u>26,582</u>

The grants were obtained to fund the purchase of intangible asset – software (Note 4) and laptop (Note 3) subject to the terms and conditions prescribed in the agreements.

Deferred capital grants are recognised as income in the manner as per Note 2(1).

**9. LEASES**

The Foundation as a lessee

The Foundation has a lease contract for its leasehold office premises. The Foundation's obligations under these leases are secured by the lessor's title to the leased asset. The Foundation is restricted from assigning and subleasing its leased asset.

a) Lease liability

The carrying amounts of lease liability and the movements during the year are as below:-

	<---Non-cash changes--->					
	1 January		Cash	Accretion		31 December
	2025	Modification	flows	of Interest	Reclassification	2025
	S\$	S\$	S\$	S\$	S\$	S\$
Lease liability:-						
- Current	18,883	93,828	(46,645)	1,255	(20,317)	47,004
- Non-current	-	-	-	-	20,317	20,317
	<u>18,883</u>	<u>93,828</u>	<u>(46,645)</u>	<u>1,255</u>	<u>-</u>	<u>67,321</u>

**NATIONAL ARTHRITIS FOUNDATION**  
(UEN: S84SS0010J)

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**9. LEASES (Continued)**

The Foundation as a lessee (Continued)

a) Lease liability (Continued)

	1 January 2024 S\$	Cash flows S\$	<---Non-cash changes--->		31 December 2024 S\$
			Accretion of Interest S\$	Reclassification S\$	
Lease liability:-					
- Current	42,883	(44,811)	1,928	18,883	18,883
- Non-current	18,883	-	-	(18,883)	-
	<u>61,766</u>	<u>(44,811)</u>	<u>1,928</u>	<u>-</u>	<u>18,883</u>

(b) Amount recognised in profit or loss

	2025 S\$	2024 S\$
Depreciation of right-of-use assets	45,111	42,587
Interest expense on lease liability	<u>1,255</u>	<u>1,928</u>
Total amount recognised in profit or loss	<u>46,366</u>	<u>44,515</u>

(c) Total cash outflows

The Foundation had total cash outflows for leases of S\$46,645 (2024: S\$44,811).

**10. JUVENILE ARTHRITIS FUND**

The Juvenile Arthritis Fund was established in year 2017 for the funding received from CapitaLand Hope Foundation. The fund is set up for providing financial assistance to help underprivileged children suffering from juvenile idiopathic arthritis (JIA) to defray their medical treatment costs and creating awareness and educating the patients and their families as well as the public on JIA. On 10 February 2026, the Foundation obtained an approval from CapitaLand Hope Foundation to expand the coverage to include subsidies for NAF's exercise for arthritis programme, physiotherapy for children/senior etc. The fund is to be utilised within 3 years. The Foundation utilised S\$11,479 (excluding donation in-kind of S\$13,425) during the year.

**11. PRESIDENT'S CHALLENGE FUND**

The President's Challenge Fund is established for the funding received from President's Challenge 2022 (PC2022). The fund is set up for the purpose to finance the NAF Arthritis Rehabilitation Centre and a total amount of S\$237,500 was allocated. The fund must be utilised within 3 years after receiving the first disbursement for the purpose approved. On 14 June 2024, National Council of Social Service approved the Foundation request to use PC2022 funds for home-based, instead of centre-based rehabilitation therapy programme and the fund utilisation deadline was extended until 31 August 2026. The foundation utilised S\$64,247 on home-based and in-clinic rehabilitation therapy programme during the year.

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**12. PATIENT SUBSIDY CARE FUND**

The Patient Subsidy Care Fund is designated to subsidise the medical and related costs of financially needy Singapore citizens and permanent residents who are stricken with arthritis.

**13. INCOME**

	2025	2024
	S\$	S\$
Donations - tax exempt	15,028	25,398
Donations - non-tax exempt	11,994	10,300
Membership fee	3,160	1,720
	<u>30,182</u>	<u>37,418</u>

**14. INDOOR GOLF**

Income		
Donation - tax exempt	-	9,807
Donation - non-tax exempt	-	7,462
Donation in kind	-	10,334
Enhanced Fund Raising Grant	-	6,907
	<u>-</u>	<u>34,510</u>

**15. ROADSHOWS DONATION**

Income		
Donation - tax exempt	-	2,976
Donation - non-tax exempt	-	4,181
Enhanced Fund Raising Grant	2,862	-
	<u>2,862</u>	<u>7,157</u>

**16. CHARITY DRAW**

Income		
Donation - non-tax exempt	<u>75</u>	<u>-</u>

**NATIONAL ARTHRITIS FOUNDATION  
(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**17. KEPPEL CLUB CHARITY GOLF**

	2025	2024
	S\$	S\$
Income		
Donation - tax exempt	84,000	77,886
Donation - non-tax exempt	4,471	906
Donation in kind	2,679	-
Enhanced Fund Raising Grant	50,122	-
	<u>141,272</u>	<u>78,792</u>

The comparative information have been reclassified from outright donation category to conform with the current year's presentation.

**18. CHARITY GOLF 2025**

	2025	2024
	S\$	S\$
Income		
Donation - tax exempt	235,533	-
Donation - non-tax exempt	7,945	-
Donation in kind	13,634	-
Enhanced Fund Raising Grant	214,778	-
	<u>471,890</u>	<u>-</u>

**19. GALA DINNER**

Income		
Donation - tax exempt	-	301,975
Donation - non-tax exempt	-	6,841
Donation in kind	-	30,307
Enhanced Fund Raising Grant	-	250,000
	<u>-</u>	<u>589,123</u>

**20. YOU CAN HELP SOOTHE THE PAIN 2023**

Income		
Donation - tax exempt	-	3,580
Donation - non-tax exempt	-	70
Enhanced Fund Raising Grant	-	1,956
	<u>-</u>	<u>5,606</u>

**NATIONAL ARTHRITIS FOUNDATION  
(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**21. ARTHRITIS AWARENESS CAMPAIGN**

	2025	2024
	S\$	S\$
Income		
Donation - tax exempt	100	520
Donation - non-tax exempt	188	16
	<u>288</u>	<u>536</u>

**22. DISEASE AWARENESS CAMPAIGN**

Income		
Donation - tax exempt	5,448	-
Donation - non-tax exempt	2,967	-
	<u>8,415</u>	<u>-</u>

**23. GOVERNMENT GRANTS - OTHERS**

Progressive wage credit scheme	3,658	2,484
Paternity leave and childcare leave claim	1,932	3,000
Charities Community Capability Grant	1,856	2,400
Career Support Programme Claim	11,340	9,579
Charities Capability Fund (CCF) - Training grant	4,654	400
Charities Capability Fund (CCF) - Consultancy grant	4,360	-
Charities Capability Fund-Info - Communications technology grant	179	-
Share As One Grant	3,616	5,000
Active Citizen Grant	7,542	-
	<u>39,137</u>	<u>22,863</u>

**24. COSTS OF GENERATING FUNDS - FUND RAISING ACTIVITIES**

	2025	2024
	S\$	S\$
Donation in kind - gift	16,314	40,641
Emcee and performers fees	1,600	6,200
Event space rental	-	2,250
Foods and beverages	18,902	52,714
Printing and stationery	2,115	2,235
Event organiser and management fees	21,911	-
Golf events-other costs (include green fee, buggy, accessories)	44,942	-
Others	5,151	2,723
	<u>110,935</u>	<u>106,763</u>

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**25. OTHER EXPENDITURES**

	2025	2024
	S\$	S\$
Accountancy fee	8,620	7,600
Audit fee	7,280	6,540
Bank charges	980	1,777
Board retreat	1,458	-
Casual labour	15,809	6,853
Cleaning expense	135	90
Courier expenses	353	399
Conference fee	170	-
Depreciation of plant and equipment	696	148
Depreciation of right-of-use assets	45,111	42,587
General expenses	178	649
Insurance (excluding staff insurance)	3,297	3,241
Interest expense on lease liability	1,255	1,928
Internet and telephone	5,360	6,144
Office expenses	169	116
Postage	158	66
Printing and stationery	2,530	302
Professional fee - governance and risk management	7,000	-
Refreshments	1,202	742
Repair and maintenance	50	134
Salary and related costs (Note 26)	467,080	376,468
Stamp duty	352	-
Subscription fee - iShine	4,334	3,723
Transport	354	410
Water and electricity	533	644
	<u>574,464</u>	<u>460,561</u>

**NATIONAL ARTHRITIS FOUNDATION  
(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**26. SALARY AND RELATED COSTS**

	2025 S\$	2024 S\$
Salary and other short term compensation:-		
- Key management personnel	211,018	160,600
- Other staff	205,420	169,491
	416,438	330,091
CPF contribution:-		
- Key management personnel	19,584	17,340
- Other staff	31,058	29,037
	50,642	46,377
	<u>467,080</u>	<u>376,468</u>

The Foundation has paid 2 highest staff with annual remuneration in the following band:

	2025	2024
S\$100,000 - S\$200,000	1	2
S\$200,001 - S\$300,000	<u>1</u>	<u>-</u>

**27. TAXATION**

The Foundation as a registered Charity institution is exempted from income tax under the Income Tax Act 1947 subject to the compliance with the relevant provisions in the Income Tax Act.

During the year, the Foundation received tax deductible donation amounted to S\$340,109 (2024: S\$422,142).

**28. RELATED PARTY TRANSACTIONS**

In addition to the related parties information disclosed elsewhere to the financial statements, the following related party transactions took place at terms mutually agreed between the parties:-

- (i) The Foundation does not remunerate the Board members for their services rendered to the Foundation.
- (ii) During the year, donations (via fund raising events) of S\$55,699 (2024: S\$32,175) are derived from the Board and Executive Director.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**29. FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Objectives and Policies**

The Foundation's financial risk comprises credit risk, interest rate risks and liquidity risk which are managed and monitored by The Board.

**Credit Risk**

The Foundation has no significant concentration of credit risk. Cash is placed with established financial institutions.

**Interest Rate Risk**

The Foundation is exposed to market risk for changes in interest rates relates primarily to its holding of fixed deposits as disclosed in Note 7 to the financial statements. The Foundation's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD fixed deposit interest rates had been 120 (2024: 60) basis points higher/lower with all other variables held constant, the Foundation's net surplus would have been S\$22,800 (2024: S\$10,980) higher/lower.

**Foreign Currency Risk**

The Foundation is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

**Liquidity Risk**

The Board manages the liquidity prudently and aims at maintaining an adequate level of liquidity. The Foundation has sufficient funds to finance its ongoing working capital requirements.

The following table details the remaining contractual maturities at the end of the reporting period of the Foundation's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the Foundation required to pay:-

	2025			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Accrued operating expenses	64,646	64,646	64,646	-
Trade payables	10,089	10,089	10,089	-
Lease liability	67,321	68,400	48,000	20,400
	142,056	143,135	122,735	20,400

**NATIONAL ARTHRITIS FOUNDATION**  
**(UEN: S84SS0010J)**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**29. FINANCIAL RISK MANAGEMENT (Continued)**

**Liquidity Risk (Continued)**

	2024			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Accrued operating expenses	5,844	5,844	5,844	-
Trade payables	1,559	1,559	1,559	-
Lease liability	18,883	19,045	19,045	-
	<u>26,286</u>	<u>26,448</u>	<u>26,448</u>	<u>-</u>

**30. CATEGORIES OF FINANCIAL INSTRUMENTS**

The following table sets out the financial instruments as at the end of the reporting period:-

	2025 S\$	2024 S\$
<b>Assets</b>		
Amortised cost:-		
Other receivables	306,291	37,990
Deposits	8,380	8,980
Cash and bank balances	<u>2,422,600</u>	<u>2,634,042</u>
Total financial assets	<u>2,737,271</u>	<u>2,681,012</u>
<b>Liabilities</b>		
<u>Financial liabilities</u>		
At amortised cost:-		
Accrued operating expenses	64,646	5,844
Trade payables	10,089	1,559
Lease liability	<u>67,321</u>	<u>18,883</u>
Total financial liabilities	<u>142,056</u>	<u>26,286</u>

**31. FAIR VALUES**

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair value due to short term maturity of these financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025**

**32. FUNDS MANAGEMENT AND RESERVE POLICY**

The Board reviews and manages the funds and reserves regularly to safeguard its assets and to ensure that the Foundation will be able to continue as a going concern and fulfill its objectives and services to the community.

During the year, the Board ratified a revised reserve policy of the Foundation's unrestricted funds. The target reserves ("Level 1") includes six months of approved budgeted operating funds and an additional S\$100,000 to be maintained in the current account. An additional reserve of twelve months operating expenses to be placed in fixed term deposits. Funds in excess of Level 1 requirements are considered surplus and could be invested in long term fixed deposit, Bonds and/or funds. The change reflects the Foundation's aims to enhance its financial strategy and long-term sustainability in preserving the Foundation's capital and development.

**33. CONFLICT OF INTEREST POLICY**

All board members, management, staff and volunteer of the Foundation are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holding that could potentially result in conflict of interests. When a conflict of interest situation arises, full disclosure must be made and the concerned member shall be abstained from participating in the discussion, decision making and voting on the matter.

**34. NEW OR AMENDED ACCOUNTING STANDARDS**

Certain new accounting standards and amendments to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2026. The Board expects that adoption of these accounting standards will have no material impact on financial statements.