

Financial statements

The Salvation Army, Singapore

For the financial year ended 31 March 2024

Organisation information

Unique Entity Number (UEN)	T07CC3012G
Registered office	20 Bishan Street 22 Singapore 579768
Main Committee	Colonel Hary Haran M V Ramasamy Major Brenda Tan Ms Koh Guek Eng Mr William Phua Mr Johnson Wong Mr Terence Tan Ms Jasinta Lim Major David Ralph Erickson (Appointed on 19 July 2023) Major Susie Erickson (Appointed on 19 July 2023) Lieut. Colonel Nigel James Cross (Appointed on 2 January 2024) Lieut. Colonel Stacy Cross (Appointed on 2 January 2024) Mr Lui Lee Leng (Appointed on 1 August 2024) Captain Andrew Lo (Concluded his tenure on 1 August 2023) Lieut. Colonel Kyle Smith (Concluded his tenure on 16 August 2023) Lieut. Colonel Lisa Smith (Concluded her tenure on 16 August 2023) Ms Sim Hwee Hoon (Concluded her tenure on 31 July 2024)
Banker	DBS Bank Ltd
Independent Auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 1 Raffles Place #04-61/62 One Raffles Place Tower 2 Singapore 048616

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Statement by The Territorial Governance Board for the financial year ended 31 March 2024

In the opinion of The Territorial Governance Board,

- (a) the accompanying financial statements are drawn up in accordance with the provisions of the Salvation Army Ordinance 1939, the Charities Act 1994 and other relevant regulations (the “Charities Act and Regulations”), and the Charities Accounting Standard so as to present fairly, in all material respects, the state of affairs of The Salvation Army, Singapore (the “Organisation”) as at 31 March 2024 and the results and cash flows of the Organisation for the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they fall due;
- (c) the Organisation has used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;
- (d) the Organisation has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and
- (e) the accounting and other records required to be kept by the Organisation have been properly kept in accordance with the provisions of the Charities Act and Regulations.

The Territorial Governance Board approved and authorised the issue of these financial statements.

On behalf of The Territorial Governance Board


COLONEL HARY HARAN M V RAMASAMY
Territorial Commander


LIEUTENANT COLONEL NIGEL CROSS
Chief Secretary

Dated: 27 SEP 2024

Independent auditor's report to The Territorial Governance Board of The Salvation Army, Singapore

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Salvation Army, Singapore (the "Organisation"), which comprise the statement of financial position as at 31 March 2024, and the statement of financial activities and statement of cash flows for the financial 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 Salvation Army Ordinance 1939, the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), and the Charities Accounting Standard ("CAS") so as to present fairly, in all material respects, the state of affairs of the Organisation as at 31 March 2024 and of the results and cash flows of the Organisation for the financial year ended on that date.

Basis for Opinion

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

Other Information

The management is responsible for the other information. The other information comprises the information included in the Statement by The Territorial Governance Board and annual report 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to The Territorial Governance Board of The Salvation Army, Singapore (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of Management and The Territorial Governance Board for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Salvation Army Ordinance 1939, the Charities Act and Regulations and CAS, and for such internal control 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 Organisation'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 Organisation or to cease operations, or has no realistic alternative but to do so.

The Territorial Governance Board's responsibilities include overseeing the Organisation'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 controls.
- Obtain an understanding of internal controls 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 Organisation's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to The Territorial Governance Board of The Salvation Army, Singapore (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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

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

- 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 Organisation'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 Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with The Territorial Governance Board 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.

Other matter

The financial statements of the Organisation for the financial year ended 31 March 2023 were audited by another firm of auditors whose report dated 20 September 2023 expressed an unmodified opinion on those financial statements.

Independent auditor's report to The Territorial Governance Board of The Salvation Army, Singapore (Cont'd)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Charities Act and Regulations to be kept by the Organisation 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 to cause us to believe that during the financial year:

- (a) The Organisation 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
- (b) The Organisation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.


Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, **27 SEP 2024**

Statement of financial position as at 31 March 2024

	Note	31 March 2024 \$	31 March 2023 \$
ASSETS			
Non-current assets			
Property, plant and equipment	3	42,227,232	44,460,222
Intangible assets	4	582,653	931,248
Investment property	5	40,981	57,717
Investments in financial assets	6	47,354,128	44,750,807
		90,204,994	90,199,994
Current assets			
Investments in financial assets	6	1,214,767	1,399,981
Trade and other receivables	7	3,693,049	4,227,296
Cash and bank balances	8	29,522,380	24,336,301
		34,430,196	29,963,578
Total assets		124,635,190	120,163,572
LIABILITIES			
Current liabilities			
Trade and other payables	9	6,122,025	5,485,227
Provision for unutilised leave		787,986	790,102
Total liabilities		6,910,011	6,275,329
Net assets		117,725,179	113,888,243
Represented by:			
Funds and reserves			
Asset amortisation funds	10	42,850,866	45,449,187
Unrestricted funds	11	70,777,742	64,432,649
Restricted funds	12	4,096,571	4,006,407
Total funds and reserves		117,725,179	113,888,243

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities for the financial year ended 31 March 2024

		31 March 2024			
	Note	Unrestricted funds \$	Asset amortisation funds \$	Restricted funds \$	Total \$
Income					
Income from generated funds					
Voluntary income					
- Donations	13	11,520,399	-	1,230,082	12,750,481
- Tithes and offerings		1,081,687	-	-	1,081,687
Activities for generating funds					
- Fundraising		1,187,471	-	-	1,187,471
- Wholesale and retail income		6,067,117	-	-	6,067,117
- Rental fees		1,262,150	-	57,827	1,319,977
- Sundry revenue		19,358	-	-	19,358
Investment income	14	3,519,906	-	-	3,519,906
Income from charitable activities					
- Programme fees		8,427,816	-	196,805	8,624,621
- Funding from government	15	16,356,313	-	6,397,075	22,753,388
- Funding from Community Chest		-	-	578,040	578,040
- Sundry revenue		109,522	-	176	109,698
Other income					
- Funding from government - others	16	425,338	-	-	425,338
- Others		476,835	-	-	476,835
Total income		50,453,912	-	8,460,005	58,913,917

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities for the financial year ended 31 March 2024 (Cont'd)

		31 March 2024			
	Note	Unrestricted funds \$	Asset amortisation funds \$	Restricted funds \$	Total \$
Expenditure					
Cost of generating funds					
Costs of generating voluntary income					
- Manpower costs	17	393,081	-	40,000	433,081
- Operating and administrative costs	18	42,106	-	9,816	51,922
- Other fundraising costs		290,410	-	24,357	314,767
- Depreciation of property, plant and equipment		-	10,074	-	10,074
Costs of generating income					
- Manpower costs	17	3,812,907	-	-	3,812,907
- Operating and administrative costs	18	2,158,080	-	-	2,158,080
- Depreciation of property, plant and equipment		-	354,944	-	354,944
Investment expenses	19	1,083,500	16,736	-	1,100,236
Costs of charitable activities					
Manpower costs	17	16,756,700	-	747,985	17,504,685
- Eldercare		1,311,130	-	6,916,067	8,227,197
- Children and Youth		529,250	-	-	529,250
- Migrant Workers Ministry		1,195,002	-	24,037	1,219,039
- Community and Other Services		228,793	-	-	228,793
- Student Care Centre		857,687	-	-	857,687
- Evangelical and Outreach Ministries					
Other costs					
- Operating and administrative costs	18	10,871,295	-	2,637,072	13,508,367
- Depreciation of property, plant and equipment		-	2,802,376	-	2,802,376
- Amortisation of intangible assets		-	106,244	-	106,244
Balance brought forward		39,529,941	3,290,374	10,399,334	53,219,649

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities for the financial year ended 31 March 2024 (Cont'd)

		31 March 2024			
	Note	Unrestricted funds \$	Asset amortisation funds \$	Restricted funds \$	Total \$
Expenditure (Cont'd)					
Balance carried forward		39,529,941	3,290,374	10,399,334	53,219,649
Governance costs					
- Manpower costs	17	805,956	-	81,663	887,619
- Operating and administrative costs	18	430,353	-	57,359	487,712
- Depreciation of property, plant and equipment		-	183,423	-	183,423
- Amortisation of intangible assets		-	298,578	-	298,578
Total expenditure		40,766,250	3,772,375	10,538,356	55,076,981
Surplus/(deficit) for the year		9,687,662	(3,772,375)	(2,078,351)	3,836,936
Grant to Programmes		(1,361,417)	-	1,361,417	-
Transfer between funds		(1,981,152)	1,174,054	807,098	-
Net movement in funds and reserves		6,345,093	(2,598,321)	90,164	3,836,936
Reconciliation of funds and reserves					
Total funds and reserves brought forward		64,432,649	45,449,187	4,006,407	113,888,243
Total funds and reserves carried forward		70,777,742	42,850,866	4,096,571	117,725,179

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities for the financial year ended 31 March 2024 (Cont'd)

		31 March 2023				
	Note	Unrestricted funds \$	Asset amortisation funds \$	Restricted funds \$	Total \$	
Income						
Income from generated funds						
Voluntary income						
- Donations	13	6,586,570	-	631,151	7,217,721	
- Tithes and offerings		1,022,024	-	-	1,022,024	
Activities for generating funds						
- Fundraising		231,276	-	-	231,276	
- Wholesale and retail income		5,559,301	-	-	5,559,301	
- Rental fees		1,110,157	-	-	1,110,157	
- Sundry revenue		12,589	-	-	12,589	
Investment income	14	1,476,307	-	-	1,476,307	
Income from charitable activities						
- Programme fees		7,561,707	-	46,868	7,608,575	
- Funding from government	15	15,499,660	-	5,268,254	20,767,914	
- Funding from Community Chest		-	-	606,481	606,481	
- Sundry revenue		94,128	-	2,004	96,132	
Other income						
- Funding from government - others	16	697,495	-	-	697,495	
- Others		428,446	-	-	428,446	
Total income		40,279,660	-	6,554,758	46,834,418	

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities for the financial year ended 31 March 2024 (Cont'd)

		----- 31 March 2023 -----			
	Note	Unrestricted funds \$ (Restated)	Asset amortisation funds \$	Restricted funds \$ (Restated)	Total \$ (Restated)
Expenditure					
Cost of generating funds					
Costs of generating voluntary income					
- Manpower costs	17	386,882	-	38,500	425,382
- Operating and administrative costs	18	94,983	-	23,912	118,895
- Other fundraising costs		410,767	-	23,356	434,123
- Depreciation of property, plant and equipment		-	13,431	-	13,431
Costs of generating income					
- Manpower costs	17	3,653,909	-	-	3,653,909
- Operating and administrative costs	18	2,241,436	-	-	2,241,436
- Depreciation of property, plant and equipment		-	341,898	-	341,898
Investment expenses	19	6,591,247	16,735	-	6,607,982
Costs of charitable activities					
Manpower costs					
- Eldercare	17	15,217,570	-	208,270	15,425,840
- Children and Youth		1,001,546	-	5,992,292	6,993,838
- Migrant Workers Ministry		467,262	-	-	467,262
- Community and Other Services		1,203,021	-	62,573	1,265,594
- Student Care Centre		209,381	-	-	209,381
- Evangelical and Outreach Ministries		822,810	-	-	822,810
Other costs					
- Operating and administrative costs	18	11,681,309	-	1,999,057	13,680,366
- Depreciation of property, plant and equipment		-	2,522,573	-	2,522,573
- Amortisation of intangible assets		-	119,379	-	119,379
Balance brought forward		43,982,123	3,014,016	8,347,960	55,344,099

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities for the financial year ended 31 March 2024 (Cont'd)

	31 March 2023				
Note	Unrestricted funds \$ (Restated)	amortisation funds \$	Restricted funds \$ (Restated)	Total \$ (Restated)	
Expenditure (Cont'd)					
Balance carried forward	43,982,123	3,014,016	8,347,960	55,344,099	
Governance costs					
- Manpower costs	827,506	-	70,753	898,259	
- Operating and administrative costs	849,253	-	57,830	907,083	
- Depreciation of property, plant and equipment	-	308,881	-	308,881	
- Amortisation of intangible assets	-	228,088	-	228,088	
Plant and equipment written off	-	28,750	-	28,750	
Total expenditure	45,658,882	3,579,735	8,476,543	57,715,160	
Deficit for the year	(5,379,222)	(3,579,735)	(1,921,785)	(10,880,742)	
Grant to Programmes	(1,601,709)	-	1,601,709	-	
Transfer between funds	(403,605)	612,338	(208,733)	-	
Net movement in funds and reserves	(7,384,536)	(2,967,397)	(528,809)	(10,880,742)	
Reconciliation of funds and reserves					
Total funds and reserves brought forward	71,817,185	48,416,584	4,535,216	124,768,985	
Total funds and reserves carried forward	64,432,649	45,449,187	4,006,407	113,888,243	

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of cash flows

for the financial year ended 31 March 2024

	Note	Year ended 31 March 2024 \$	Year ended 31 March 2023 \$
Cash flows from operating activities			
Surplus/(deficit) for the year		3,836,936	(10,880,742)
Adjustments for:			
Dividend and interest income	14	(1,738,308)	(1,416,671)
Depreciation of property, plant and equipment	3	3,350,817	3,186,782
Plant and equipment written off	3	-	28,750
Amortisation of intangible assets	4	404,822	347,467
Depreciation of investment property	5	16,736	16,736
(Reversal)/Impairment loss on investments in financial assets		(1,390,759)	1,390,759
Gain on disposal of property, plant and equipment		(5,577)	-
Loss on disposal of investments in financial assets, net of foreign exchange gain		514,888	3,111,689
Operating cash flows before changes in working capital		4,989,555	(4,215,230)
Change in restricted cash		184,619	(27,173)
Change in trade and other receivables		591,562	1,008,469
Change in trade and other payables		261,665	(236,376)
Net cash generated from/(used in) operating activities		6,027,401	(3,470,310)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1,117,827)	(307,185)
Purchase of intangible assets	4	(56,227)	(305,153)
Proceeds from disposal of property, plant and equipment		5,577	-
Purchase of investments in financial assets	6	(97,352,553)	(133,346,578)
Proceeds from disposal of investments in financial assets		95,810,317	134,013,473
Dividend and interest income received		2,054,010	1,317,788
Net cash (used in)/generated from investing activities		(656,703)	1,372,345
Net increase/(decrease) in cash and cash equivalents		5,370,698	(2,097,965)
Cash and cash equivalents at the beginning of year		22,769,853	24,867,818
Cash and cash equivalents at the end of year	8	28,140,551	22,769,853

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the financial statements

for the financial year ended 31 March 2024

1 General information

The Salvation Army, Singapore (the “Organisation”) was constituted as a corporation in Singapore under the Statutes of the Republic of Singapore, Salvation Army Ordinance 1939. The Organisation is registered as an exempt charity under the Charities Act 1994 and domiciled in Singapore. The registered address of the Organisation is at 20 Bishan Street 22, Singapore 579768.

The Salvation Army, Singapore is organised for administrative purposes into two units, which are described below:

(i) General Fund, Singapore

The General Fund deals mainly with the activities for generating funds, Christian education and activities and all headquarters matters not specifically included in Social Fund, which includes undertaking the functions of an owner of property and deals with all transactions relating to the properties owned by the Organisation.

(ii) Social Fund, Singapore

The Social Fund deals with the social operations of the Organisation which has been conferred the Institution of Public Character status. Accordingly, qualifying donors are granted tax deduction for donations made by them to the Social Fund.

The Organisation provides Christian education and activities through its Corps.

The Organisation also provides:

- nursing home;
- day care centres for children and the elderly;
- residential homes for children and young people at risk;
- ministry to troubled young people;
- food for families;
- counselling services;
- prison support services;
- fostering agency services;
- outreach programme for male migrant workers; and
- residential care programme for foreign domestic workers in distress.

The Organisation operates the Red Shield Industries which mainly sells donated goods at an affordable price.

There have been no significant changes in the nature of the Organisation’s activities during the year.

The financial statements of the Organisation for the current financial year were approved and authorised for issue by The Territorial Governance Board on the date of the Statement by The Territorial Governance Board.

2(a) Basis of preparation

The financial statements of the Organisation have been prepared in accordance with the provisions of the Salvation Army Ordinance 1939, the Charities Act 1994 and other relevant regulations (the “Charities Act and Regulations”), and the Singapore Charities Accounting Standard (“CAS”). 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 dollars (\$) which is the Organisation's functional currency. All financial information presented in \$ are expressed in units, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Significant accounting estimates and judgements

The preparation of the Organisation's financial statements in conformity with CAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenditures, assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

There are no critical accounting estimates and assumptions used and areas involving a high degree of judgement.

Impairment of investment in financial assets

The Organisation assesses at each balance sheet date whether there is objective evidence that investment securities have been impaired. Impairment loss is calculated based on a review of the recoverable amount.

The carrying amount of Organisation's investment in financial assets as at 31 March 2024 was \$48,568,895 (2023 - \$46,150,788).

2(b) Adoption of new and revised standards

There are no new and revised standards effective for the current financial year.

2(c) Summary of significant accounting policies

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Cost includes its purchase price and any cost that is directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Organisation.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Organisation and the cost of the item can be measured reliably. The Organisation's policy is to capitalise assets that cost more than \$10,000.

Repair, maintenance and renovation costs for properties not owned by the Organisation are charged to the statement of financial activities as incurred.

2(c) Summary of significant accounting policies (Cont'd)

Property, plant and equipment (Cont'd)

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

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and are depreciated using straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

Freehold buildings	30 years
Leasehold land and building	Unexpired terms of the lease or 30 years, whichever is shorter
Equipment and software	5 years
Motor vehicles	5 years

The estimated useful lives, depreciation method and residual values are reviewed periodically, at least annually, and adjusted prospectively, if there is a change in estimate.

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

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

Assets-in-progress

Assets-in-progress are reclassified to the appropriate category of property, plant and equipment when complete and ready for use. Assets-in-progress are not depreciated as these assets are not yet available for use.

Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Computer software

Where computer software is not integrally related to associated hardware, they are recognised as an intangible asset provided they are clearly identifiable, can be readily measured and it is probable they will lead to future economic benefits that the Organisation controls. The Organisation carries capitalised computer software assets at cost less amortisation and any impairment losses. These assets are amortised over the estimated useful lives of 5 years on a straight-line basis. Computer software maintenance costs are expensed as incurred. Any impairment loss is recognised in the statement of comprehensive income when incurred.

2(c) Summary of significant accounting policies (Cont'd)**Investment property**

Investment property is held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is initially recorded at cost. The cost of a purchased investment property comprises its purchase price and any directly attributable costs.

The cost of an investment property is recognised as an asset if, and only if, it is probable that future economic benefits associated with the investment property will flow to the Organisation and the cost can be measured reliably. Any day-to-day servicing of an investment property is recognised as expenditures in the statement of financial activities in the period in which the costs are incurred.

Investment property is subsequently measured at cost less accumulated depreciation and any impairment losses. Investment property is depreciated over 30 years on a straight-line basis.

Investments in financial assets

Investments in financial assets are investments in equities and debt securities as well as cash held for investment purposes.

Investments in financial assets are recognised as an asset only when the Organisation becomes a party to the contractual provisions of the instrument and are initially measured at cost. Cost of investments in financial assets is the transaction price excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred.

Investments in financial assets are measured subsequently at cost less any impairment losses.

At each balance sheet date, if there is objective evidence of impairment, the carrying amount of the asset is reduced by an allowance for impairment and the impairment loss is recognised in the statement of financial activities.

This allowance, calculated as the difference between the asset's carrying amount of the financial assets and the undiscounted future cash flows (excluding unearned interest in the case of interest-bearing financial assets) that the Organisation expects to receive from the financial assets is recognised in the statement of financial activities in the period in which the impairment occurs. Impairment loss is reversed through the statement of financial activities if the impairment loss decrease can be related objectively to an event occurring after the impairment loss was recognised. The reversal of impairment loss shall not result in the carrying value of the investment exceeding transaction price.

Trade and other receivables

Trade and other receivables excluding prepayments are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditures in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, trade and other receivables excluding prepayments are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial year.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at bank, demand deposits and short-term deposits which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents excludes restricted cash.

2(c) Summary of significant accounting policies (Cont'd)**Trade and other payables**

Trade and other payables excluding accruals are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditures in the statement of financial activities as incurred. Accruals are recognised at the best estimate of amount payable.

Funds and reserves(a) Asset amortisation funds

These funds represent the carrying amount of the capitalised assets that Organisation purchased.

(b) Unrestricted funds

These funds are freely available for operating purposes not subject to commitments.

(c) Restricted funds

These are donations and grants held for restricted purposes as specified by the donors or grantors.

TaxesGoods and services tax ("GST")

Income, expenditures and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the financial position.

LeasesAs lessor

Rental income from an operating lease is recognised on a straight-line basis over the period of the lease, even if the payments are not made on such a basis. The aggregate cost of lease incentives, if any, is recognised as a reduction over the lease term.

As lessee

The lease payments under an operating lease expense are recognised on a straight-line basis over the lease term even if the payments are not made on such a basis.

Provisions

Provisions are recognised only when a present obligation (legal or constructive) exists as a result of a past event, it is probable that a transfer of economic benefits in settlement will be required, and the amount of the obligation can be estimated reliably.

The provision in the Organisation's statement of financial position refers to estimated liability for unconsumed leave. Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Income recognition

Income is recognised in the Statement of Financial Activities to the extent that the Organisation becomes entitled to the income, when it is probable that the income will be received; and when the amount of the income can be measured with sufficient reliability.

2(c) Summary of significant accounting policies (Cont'd)

Income recognition (Cont'd)

Income from generated funds

(a) Voluntary income

The Organisation's voluntary income comprises cash donations, and donations-in-kind, legacies, tithes and offerings:

- Cash donations are recognised when the Organisation has an unconditional entitlement to the receipts;
- Donations-in-kind are recognised when such donation can be estimated with sufficient reliability and are based on a reasonable estimate of their value to the Organisation, which approximates the open market value for similar items;
- Legacies are recognised when the Organisation has sufficient certainty that the income will be received; and
- Tithes and offerings are recognised upon receipt.

(b) Activities for generating funds

This is mainly made up of fundraising income, wholesale and retail income, rental fees and sundry revenue:

- Fundraising income relates to proceeds from fundraising events and appeals held by the Organisation and is recognised on cash basis;
- Wholesale and retail income is from selling donated goods;
- Rental fees are from letting of the properties held primarily for functional use of the Organisation but temporarily not used for operational purposes. This is recognised on a straight-line basis over the period of the lease; and
- Sundry revenue mainly consists of utilities charges to external tenants and sale of scrap materials.

(c) Investment income

Investment income comprises dividends, interest and rents and is recognised by the Organisation when receivable:

- Interest income from bank deposits and bonds is accrued on a time apportionment basis;
- Dividend income is recognised when the Organisation's right to receive payment is established; and
- Rental income arising from operating lease on investment property held by the Organisation is accounted for on a straight-line basis over the lease term.

Income from charitable activities

(a) Programme fees

These are programme fees for the provision of services by the Organisation to beneficiaries.

(b) Funding from government

Government subventions and other grants are recognised where there is reasonable assurance that the funds will be received and all attaching conditions will be complied with.

2(c) Summary of significant accounting policies (Cont'd)

Income recognition (Cont'd)

Income from charitable activities (Cont'd)

(c) Funding from Community Chest

Funding from Community Chest is funding received to support the Kids-In-Play programme to provide a child-centric approach in supporting families affected by parental incarceration. The funding is recognised when it is received and ring-fenced as restricted funds.

Other income

This income mainly comprises government grants under employment related schemes. Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Expenditures

All expenditures are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to that activity.

Costs of generating funds

These are costs associated with generating income from all sources other than from undertaking charitable activities. The cost in this category comprises cost on generating voluntary income, costs of generating income, cost of fundraising events and appeals, and investment management costs.

Costs of charitable activities

Costs of charitable activities comprise all costs incurred by the Organisation in providing residential care, healthcare and community services, and Christian education including direct manpower costs, assistance to other countries, property maintenance costs, operating costs and other administrative costs.

Governance costs

Governance costs comprise all costs attributable to the general running of the Organisation in providing the governance infrastructure and in ensuring public accountability.

Employee benefits

Defined contribution plan

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

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Organisation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Organisation, directly or indirectly, including governing board members and key officers of the Organisation. Remuneration only applies to executive officers of the Singapore Social Fund Board, Territorial Management Board and the District Business Board, and such amounts are recorded by the Headquarters, Singapore.

2(c) Summary of significant accounting policies (Cont'd)

Foreign currency

Transactions in foreign currencies are measured in the functional currency of the Organisation 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 the statement of financial activities.

Notes to the financial statements for the financial year ended 31 March 2024

3 Property, plant and equipment

	Freehold land \$	Freehold buildings \$	Leasehold land and buildings \$	Equipment and software \$	Motor vehicles \$	Assets- in-progress \$	Total \$
Cost							
At 1 April 2022	4,713,000	51,323,153	36,911,029	2,402,852	3,486,974	48,010	98,885,018
Additions	-	-	-	307,185	-	-	307,185
Written off	-	-	-	-	-	(28,750)	(28,750)
Reclassification	-	-	-	19,260	-	(19,260)	-
At 31 March 2023	4,713,000	51,323,153	36,911,029	2,729,297	3,486,974	-	99,163,453
Additions	-	-	-	677,015	440,812	-	1,117,827
Disposals	-	-	-	(17,000)	(146,171)	-	(163,171)
Reclassification	-	(293,535)	-	293,535	-	-	-
At 31 March 2024	4,713,000	51,029,618	36,911,029	3,682,847	3,781,615	-	100,118,109
Accumulated depreciation							
At 1 April 2022	-	25,717,985	21,277,566	1,617,648	2,903,250	-	51,516,449
Depreciation for the year	-	1,698,605	877,632	368,272	242,273	-	3,186,782
At 31 March 2023	-	27,416,590	22,155,198	1,985,920	3,145,523	-	54,703,231
Depreciation for the year	-	1,688,821	877,632	563,807	220,557	-	3,350,817
Disposals	-	-	-	(17,000)	(146,171)	-	(163,171)
Reclassification	-	(47,609)	-	47,609	-	-	-
At 31 March 2024	-	29,057,802	23,032,831	2,580,336	3,219,909	-	57,890,877
Net book value							
At 31 March 2024	4,713,000	21,971,816	13,878,199	1,102,511	561,706	-	42,227,232
At 31 March 2023	4,713,000	23,906,563	14,755,831	743,377	341,451	-	44,460,222

Notes to the financial statements for the financial year ended 31 March 2024

3 Property, plant and equipment (Cont'd)

(a) Fair value of properties

The Organisation engaged ATS Advisory Services (2023 - Pioneer Property Consultants LLP), an independent valuer to determine the market value of the freehold and leasehold land and buildings ("Properties"). The market value of the Properties was approximately \$120,558,000 (2023 - \$119,040,000). The market value is determined using the summation of the open market value of the land and the depreciated replacement cost of the buildings. The open market value is determined by reference to the development charge for the geographical sector under the Civic & Community Institution zone and adjusted according to its location. The depreciated replacement cost of the building is based on current estimated construction cost and depreciated with regard to their respective age and condition. The valuation reports are dated 22 April 2024 (2023 - 17 April 2023).

4 Intangible assets

	Computer software \$	Work- in-progress \$	Total \$
Cost			
At 1 April 2022	1,714,052	69,796	1,783,848
Additions	122,531	182,622	305,153
At 31 March 2023	1,836,583	252,418	2,089,001
Additions	56,227	-	56,227
Reclassification	252,418	(252,418)	-
At 31 March 2024	2,145,228	-	2,145,228
Accumulated amortisation			
At 1 April 2022	810,286	-	810,286
Amortisation for the year	347,467	-	347,467
At 31 March 2023	1,157,753	-	1,157,753
Amortisation for the year	404,822	-	404,822
At 31 March 2024	1,562,575	-	1,562,575
Net book value			
At 31 March 2024	582,653	-	582,653
At 31 March 2023	678,830	252,418	931,248

As at 31 March 2023, there were two computer software that were still under development and was not depreciated. The computer software consisted of a web-based Home Management system and a Human Resource Management system. During the financial year, both computer software were fully developed and reclassified to computer software, and the depreciation commenced.

5 Investment property

	Investment property \$
Cost	
At 1 April 2022, 31 March 2023 and 31 March 2024	547,890
Accumulated depreciation	
At 1 April 2022	473,437
Depreciation for the year	16,736
At 31 March 2023	490,173
Depreciation for the year	16,736
At 31 March 2024	506,909
Net book value	
At 31 March 2024	40,981
At 31 March 2023	57,717

The market value of the freehold investment property was approximately \$5,900,000 (2023 - \$5,750,000). The valuation was conducted by ATS Advisory Services (2023 - Pioneer Property Consultants LLP) using the same valuation methodology as disclosed in Note 3. The date of the valuation report is 22 April 2024 (2023 - 17 April 2023).

6 Investments in financial assets

	31 March 2024 \$	31 March 2023 \$
Quoted bonds, at cost	28,122,972	30,749,375
Quoted equity shares, at cost	19,231,156	15,392,191
Cash with fund manager for investment purpose	1,214,767	1,399,981
	48,568,895	47,541,547
Impairment loss	-	(1,390,759)
	48,568,895	46,150,788
<i>Presentation in the statement of financial position as:</i>		
Non-current	47,354,128	44,750,807
Current	1,214,767	1,399,981
	48,568,895	46,150,788
Investment assets in Singapore	17,339,673	20,466,132
Investment assets outside Singapore	31,229,222	25,684,656
	48,568,895	46,150,788

The market value of the investment assets at the end of the reporting period was \$27,725,408 and \$20,916,986 (2023 - \$29,591,560 and \$15,170,613) for bonds and equity shares, respectively.

Movement in investments during the year:

	31 March 2024 \$	31 March 2023 \$
At 1 April	46,150,788	51,320,131
Additions	97,352,553	133,346,578
Disposals*	(96,325,205)	(137,125,162)
Impairment loss reversed/(recognised) for the year	1,390,759	(1,390,759)
At 31 March	48,568,895	46,150,788

Notes to the financial statements for the financial year ended 31 March 2024

6 Investments in financial assets (Cont'd)

Reconciled to the statement of cash flows as follows:

	31 March 2024	31 March 2023
	\$	\$
Proceeds from disposal of investment assets	95,810,317	134,013,473
Loss on disposal of investments of financial assets, net of foreign exchange gain	514,888	3,111,689
Net disposals*	96,325,205	137,125,162

The investment portfolio is held under the name of The Salvation Army. The portfolio is split between the Salvation Army Singapore and Malaysia territories based on a certain allocation ratio. During the financial year, the Territorial Management Board revised the allocation ratio between the Singapore and Malaysia territories from 9.15:0.85 to 9.25:0.75, respectively. The external fund manager is given full discretionary mandate subject to the Organisation's investment guidelines and reports the investment holdings and performance to the Organisation on a regular basis.

7 Trade and other receivables

	31 March 2024	31 March 2023
	\$	\$
Programme fees receivable	862,026	636,577
Interest income receivables	356,092	326,006
Deposits paid	187,024	175,225
Prepayments	327,979	130,992
Rental fees receivables	215	-
Accrued receivables	81,392	-
Grant receivables	1,878,321	2,958,496
	3,693,049	4,227,296

8 Cash and bank balances

	31 March 2024	31 March 2023
	\$	\$
Cash at bank and on hand	10,901,873	8,814,485
Fixed deposits	18,620,507	15,521,816
Cash and bank balances as per statement of financial position	29,522,380	24,336,301
Less: Monies held on behalf of Medifund account (Note 9)	(1,023,946)	(1,295,933)
Less: Monies held on behalf of Financial Assistance Scheme ("FAS") account (Note 9)	(87,368)	-
Less: Restricted fixed deposits pledged to a bank as security	(270,515)	(270,515)
Cash and cash equivalents as per statement of cash flows	28,140,551	22,769,853

Cash at bank earns interest on floating rates based on daily bank deposit rates.

Fixed deposits are made for varying periods of between 1 to 12 months (2023 - 3 to 12 months) depending on the cash requirements of the Organisation. Fixed deposits bear interest rates ranging from 0.05% to 3.80% (2023 - 0.03% to 3.80%) per annum. Included in fixed deposits of the Organisation are restricted amounts of \$270,515 (2023 - \$270,515) which is pledged to a bank as security for the credit card and bank guarantee.

9 Trade and other payables

	31 March 2024	31 March 2023
	\$	\$
Trade payables	1,161,278	2,168,350
Accruals	1,099,029	949,496
Amount due to related parties (Note (a))	1,214,249	94,487
Advance payment from customers	150,204	116,113
Deposits received	489,827	452,511
Medifund account (Note (b))	1,023,946	1,295,933
Financial Assistance Scheme ("FAS") account (Note (c))	87,368	-
Grant received in advance	142,582	15,608
Other payables	753,542	392,729
	6,122,025	5,485,227

- (a) Amount due to related parties are non-trade related, unsecured, non-interest bearing and repayable upon demand. Related parties refer to The Salvation Army, Malaysia, The Salvation Army, Myanmar and The Salvation Army International Headquarters.
- (b) Medifund is an endowment fund set up by the Singapore government to assist needy Singaporeans to pay for medical care. The amount will be set off against the programme fees receivable from specific patients upon review and approval by the Medifund committee.
- (c) The Financial Assistance Scheme ("FAS") is to support a small group of needy Permanent Residents ("PRs") who are on the Medical Fee Exemption Card ("MFEC") or ComCare Long-Term Assistance ("LTA") for their subsidised Intermediate and Long-Term Care ("ILTC") bills incurred at Peacehaven Nursing home. The amount will be set off against the programme fees receivable from specific patients upon review and approval by the FAS committee.

10 Asset amortisation funds

	31 March 2024	31 March 2023
	\$	\$
At 1 April	45,449,187	48,416,584
Deficit for the year (Note (a))	(3,772,375)	(3,579,735)
Transfer from unrestricted funds (Note 11)	586,144	402,807
Transfer from restricted funds (Note 12)	587,910	209,531
At 31 March	42,850,866	45,449,187

- (a) Deficit for the year represent depreciation of property, plant and equipment and investment property and amortisation of intangible assets charged for the financial year amounting to \$3,350,817, \$16,736 and \$404,822 (2023 - \$3,186,782, \$16,736 and \$347,467), respectively. Deficit of 2023 included asset-in-progress written off amounting to \$28,750.

The asset amortisation funds represent monies already expended on the acquisition of property, plant and equipment, investment property and intangible assets and set aside to meet future depreciation and amortisation expenses.

Notes to the financial statements for the financial year ended 31 March 2024

11 Unrestricted funds

	Unrestricted reserve \$ Note (a)	Impairment loss reserve \$ Note (b)	Property reserve \$ Note (c)	Vehicle reserve \$ Note (d)	Information Technology reserve \$ Note (e)	Development reserve \$ Note (f)	Programme reserve \$ Note (g)	Officer and staff benefit reserve \$ Note (h)	Total \$
At 1 April 2022	15,198,895	-	45,226,928	2,670,131	456,244	2,567,270	4,490,044	1,207,673	71,817,185
Surplus/(deficit) for the year	2,659,387	(1,390,759)	(5,972,336)	(3,565)	(142,611)	(15,048)	(324,488)	(189,802)	(5,379,222)
Grant to restricted funds for Programmes	(1,425,876)	-	(204,633)	28,800	-	-	-	-	(1,601,709)
Transfer between funds	(3,031,738)	-	2,680,897	288,000	19,380	(3,913)	(160,869)	208,243	-
Transfer to restricted funds (Note 12)	-	-	-	-	-	(798)	-	-	(798)
Transfer to asset amortisation funds (Note 10)	(74,986)	-	(174,410)	-	(109,262)	-	(44,149)	-	(402,807)
At 31 March 2023	13,325,682	(1,390,759)	41,556,446	2,983,366	223,751	2,547,511	3,960,538	1,226,114	64,432,649
Surplus/(deficit) for the year	3,128,242	1,390,759	(1,598,304)	69,669	116,218	4,699,368	2,043,900	(162,190)	9,687,662
Grant to restricted funds for Programmes	(1,259,240)	-	(159,777)	57,600	-	-	-	-	(1,361,417)
Transfer between funds	(3,377,074)	-	2,914,589	211,200	31,980	29,400	29,565	160,340	-
Transfer to restricted funds (Note 12)	-	-	-	-	-	-	(1,395,008)	-	(1,395,008)
Transfer to asset amortisation funds (Note 10)	-	-	(132,145)	(440,812)	(13,187)	-	-	-	(586,144)
At 31 March 2024	11,817,610	-	42,580,809	2,881,023	358,762	7,276,279	4,638,995	1,224,264	70,777,742

11 Unrestricted funds (Cont'd)

- (a) Unrestricted reserve
The unrestricted reserve is a general fund of the Organisation to be applied for the general purpose of the Organisation in support of its objectives.
- (b) Impairment loss reserve
Impairment loss reserve is for unrealised loss arising from market value of investment assets.
- (c) Property reserve
Property reserve is a designated fund of the Organisation set aside for the purpose of replacement and maintenance of properties in future.
- (d) Vehicle reserve
The vehicle reserve is a designated fund of the Organisation set aside for the purpose of replacement for the vehicles in future.
- (e) Information Technology (“IT”) reserve
The IT reserve is a designated fund of the Organisation set aside for the purpose of replacement for the Officers’ laptops and the implementation cost of new IT systems.
- (f) Development reserve
Development reserve is a designated fund of the Organisation set aside for establishing operations in Thailand, mission development and social justice development.
- (g) Programme reserve
The Programme reserves are funds set aside for the costs of programmes and equipment operated at the Peacehaven Jade Circle building, children education funds, and other special projects approved by The Territorial Management Board. Such special projects are funded by government grants under the Community Silver Trust (“CST”) scheme and/or legacy bequests.

The programme reserve comprises of the following reserves:

- (i) Education reserve
The education reserve is a designated fund of the Organisation set aside for the purpose of the children’s education.
- (ii) Innovation reserve
This was a legacy received and the funds are designated for innovation related projects. During the previous financial year, an amount of \$115,049 relating to planned capital expenditure for Peacehaven was transferred to the Organisation’s Property Reserve.
- (iii) Renovation reserve
This renovation reserve is a designated fund of the Organisation set aside for the refurbishment of existing toilets at the premises of Peacehaven. The renovation was completed during the financial year.
- (iv) Community Silver Trust

The CST is a scheme whereby the government will provide a matching grant of one dollar for every donation dollar raised by eligible organisations to fund programmes. The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long-Term Care Sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care.

During the financial year, the funds were transferred from unrestricted reserves to restricted reserves to accurately recognised these funds that are for specified purposes.

11 Unrestricted funds (Cont'd)

(g) Programme reserve (Cont'd)

(v) Infrastructure improvement reserve

This was a legacy received and the funds are designated for improvements to Peacehaven's infrastructure.

(vi) Corps reserve

Corp reserve is surplus generated by the Corps and ringfenced for the purpose of meeting future operating expenses.

(h) Officer and staff benefit reserve

Officer and staff benefit reserve comprises of funds set aside for the purpose of officers and staff training, officers' children education and officers' health benefits.

Notes to the financial statements for the financial year ended 31 March 2024

12 Restricted funds

	Property reserve \$ Note (a)	Information Technology reserve \$ Note (b)	Education reserve \$ Note (c)	Renovation reserve \$ Note (d)	Programme reserve \$ Note (e)	Total \$
At 1 April 2022	295,794	29,377	10,000	-	4,200,045	4,535,216
(Deficit)/surplus for the year	(81,936)	68,768	(2,748)	-	(1,905,869)	(1,921,785)
Grant from unrestricted funds for Programmes	-	-	-	-	1,601,709	1,601,709
Transfer to asset amortisation funds (Note 10)	-	(73,360)	-	-	(136,171)	(209,531)
Transfer from unrestricted funds (Note 11)	-	-	-	-	798	798
At 31 March 2023	213,858	24,785	7,252	-	3,760,512	4,006,407
Surplus/(deficit) before grant	-	18,255	-	-	(2,096,606)	(2,078,351)
Grant from unrestricted funds for Programmes	-	-	-	-	1,361,417	1,361,417
Transfer to asset amortisation funds (Note 10)	-	(43,040)	-	-	(544,870)	(587,910)
Transfer from unrestricted fund (Note 11)	-	-	-	-	1,395,008	1,395,008
At 31 March 2024	213,858	-	7,252	-	3,875,461	4,096,571

(a) Property reserve

The donations were raised from Charity Bike 'n' Blade and are restricted for renovation works at the premises of Peacehaven's residential living area and its property upkeep and repair.

(b) Information Technology ("IT") reserve

(i) A grant was received as subsidies by Tech Booster Project initiated by National Council of Social Service of up to 98% of the cost expended by the Children and Youth Group to ramp up ready technologies adoption to enhance operational efficiency, alleviate demand for vacant positions and increase centrality of services.

(ii) A grant was received to support the cost of running the Senior Digital Online Support Group project. This project seeks to conduct small support groups on a digital platform and to give seniors a face-to-face experience with other group members on an online community.

12 Restricted funds (Cont'd)

(c) Education reserve

This was a donation received and the fund is used specifically for education purposes or elevating education standards of Singaporeans and transnational citizens who are vulnerable, identified and are assessed to be under the Ministry of Social and Family Development (“MSF”) policies in protecting Children and Youth in general.

(d) Renovation reserve

This was a donation received for the Organisation and the fund is used specifically for the renovation of the premises for counselling work of Children and Youth Group. During the financial year, the Organisation received the donations and fully utilised for the renovation of the premises for counselling work.

(e) Programme reserve

The Programme reserves are funds to be applied for the specific purposes designated by donor(s) or grantor(s) in support of the Organisation’s objectives and comprise of the following reserves:

(i) Lien Foundation

This was the donation received from Lien Foundation for the building of Jade Circle Building. The funds were re-allocated to fund the following Jade Circle’s operations as specified by the donors:

- a) Consultancy and collaborative projects related to documenting, enhancing and scaling the Person-Centred Care model distinct to Jade Circle;
- b) Expand curricula of training modules in dementia care, including the hire of manpower to support this effort; and
- c) Community initiatives to serve the seniors living in the vicinity in areas related to dementia such as raising awareness, delaying and managing the condition.

(ii) Community Silver Trust

The CST is a scheme whereby the government will provide a matching grant of one dollar for every donation dollar raised by eligible organisations to fund programmes. The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long-Term Care Sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care.

During the financial year, the funds were transferred from unrestricted reserves to restricted reserves to accurately recognise these funds that are for specified purposes.

As of the financial year end, the unutilised CST funds amounted to \$679,639. The unutilised grants are subject to the following expiry dates:

<u>Expiry date</u>	31 March 2024
	\$
31 March 2025	89,255
31 March 2026	182,378
31 March 2027	274,200
31 March 2028	133,806
	679,639

12 Restricted funds (Cont'd)

(e) Programme reserve (Cont'd)

(iii) Sayang Sayang Fund

Sayang Sayang Fund was a Community Impact Fund established by the Community Foundation of Singapore (CFS) that aims to provide appropriate support to alleviate the impact of the COVID-19 pandemic to the local community. The funds were used to design and implement a series of chair-based exercise videos for the residents in Peacehaven.

(iv) Programme reserve for Children and Youth Programme

The funds received for the following programme are restricted for the operation of the programme only:

a) Gracehaven Children's Home

Gracehaven Children's Home provides residential care services to protect and/or rehabilitate children and youths form a key portion of the portfolio of services offered by the Group. Many of these services involve the application of homebased intervention to reunify residents with their natural families. Gracehaven Children's Home operates mixed gender residential services which provides multiple residential care programmes.

b) Gracehaven IPAC

Gracehaven IPAC is a programme under Gracehaven Children's Home whereby allows children under child protection to be temporarily cared for till their more permanent placement in the most appropriate care environment.

c) Gracehaven Fostering

Gracehaven Fostering is a non-residential based services whereby it is fostering agency arm of the Group to collaborate with dedicated foster families, offer a safe and secure home for children and young individuals in need of care and protection. These children come to the Group for temporary support, as circumstances prevent their families from providing adequate care.

d) Gracehaven OBF

Gracehaven OBF is a funding to the Group to provide fostering services; and residential care services for clients selected for Outcomes-Based Funding Pilot programme.

e) The Haven

The Haven provides residential care services to protect and/or rehabilitate children and youths form a key portion of the portfolio of services offered by the Group. Many of these services involve the application of homebased intervention to reunify residents with their natural families. The Haven operates mixed gender residential services which offers a small group home environment.

f) Kids-in-Play

Kids-in-Play is a non-residential based services whereby this programme provides a child-centric approach in supporting families affected by parental incarceration through casework management, counselling and practical help or referrals for assistance - with the eventual aim of facilitating the reintegration of former inmates with their families and the community upon release.

12 Restricted funds (Cont'd)

(e) Programme reserve (Cont'd)

(iv) Programme reserve for Children and Youth programme (Cont'd)

g) Youth Development Centre

Youth Development Centre provides aftercare services to children and young persons who were either discharged from residential homes or those who are in non-residential care but require further mentoring.

h) Befrienders for Families

Befrienders For Families is a programme to help support families that have been reunited with their children by connecting each family with a group of volunteer befrienders.

(v) True Hearts Mentoring Programme reserve

This was a donation received from True Hearts Connection for the purpose of supporting the True Hearts Mentoring programme at The Haven. The fund is used specifically for programmes, activities, outings and clothing for special events.

(vi) BizCamp reserve

This was a grant received from Give2Asia's Starbucks Fund which supports a 10-day camp to impart entrepreneurial skills for about 25 primarily at-risk or disadvantaged youth in Singapore to encourage entrepreneurial mindsets and build skills in confidence and self-belief amongst the youth through a 70-hour structured curriculum and the funds will support manpower for planning and implementing the program, facilitator and trainer fees, venue, and food and other camp-related costs.

(vii) Youth Mental Health reserve

This was a grant received from Give2Asia's Starbucks Fund which supports a youth mental health resilience program that aims to reduce mental health risks of approximately 60 vulnerable youth from low-income backgrounds in Singapore and the funds will be allocated for staff salaries, travel expenses, project supplies and equipment, food, property rental, program costs, and overhead expenses.

(viii) Financial Assistance reserve

a) This was a donation received for the purpose of providing financial assistance to clients under the Aftercare Support Programme. This fund is used to kickstart their employment upon release from prison with a maximum amount of \$300.00 to be disbursed to each client.

b) This was a grant received to purchase food hampers for the unemployed and homeless migrant workers in Thailand.

Notes to the financial statements for the financial year ended 31 March 2024

13 Donations

	31 March 2024	31 March 2023
	\$	\$
Cash donations	12,376,601	7,196,360
Donation-in-kind	373,880	21,361
	<u>12,750,481</u>	<u>7,217,721</u>

14 Investment income

	31 March 2024	31 March 2023
	\$	\$
Dividend income	283,762	452,262
Interest income		
- Bank	4,956	584
- Bonds	1,036,443	772,184
- Fixed and short-term deposits	413,147	191,641
Reversal of impairment loss on investments	1,390,759	-
Foreign exchange gain on fixed and short-term deposit interest and investments	345,788	-
Property related income	45,051	59,636
	<u>3,519,906</u>	<u>1,476,307</u>

15 Funding from government

	31 March 2024	31 March 2023
	\$	\$
Ministry of Health ("MOH") / Agency for Integrated Care ("AIC")	16,097,968	14,961,253
Community Silver Trust grant	507,799	347,327
Ministry of Social and Family Development ("MSF")	5,821,458	5,112,468
National Council of Social Services ("NCSS")	48,435	101,565
Others	277,728	245,301
	<u>22,753,388</u>	<u>20,767,914</u>

16 Funding from government - others

	31 March 2024	31 March 2023
	\$	\$
CPF Transition Offset	10,431	29,631
Enabling Employment Credit Scheme	42,694	35,749
Job Growth Incentive Payout	28,906	110,008
MSF Courage-to-Care Award (Note (a))	-	40,950
Training grant	11,044	15,748
Transformation Support Scheme	12,000	40,797
Senior Worker Early Adopter Grant (Note (b))	250,000	-
Wage Credit and Special Employment Credit schemes	40,968	390,653
Others	29,295	33,959
	<u>425,338</u>	<u>697,495</u>

16 Funding from government - others (Cont'd)

- (a) Ministry of Social and Family Development (“MSF”) and The Courage Fund jointly awarded the Courage-To-Care (“CTC”) Award to staff working in eligible Social Service Agencies. The CTC Award is to show appreciation for social services staff who have stepped up beyond their normal call of duties during the COVID-19 outbreak. The token of appreciation was provided on a lump-sum basis at \$500 per eligible staff (\$585 including Employers’ CPF for Singaporeans/Singapore PRs).

Note:

i The Courage Fund was first established in 2003 when Singapore was hit by the SARS outbreak. Fellow Singaporeans donated generously to the Fund to support those who were affected by the outbreak. In this same spirit of uniting the community to support one another through difficult times, Community Chest has rallied the community to provide relief and support to those affected by the COVID-19 situation.

- (b) The Senior Worker Early Adopter Grant (“SWEAG”) is a program in Singapore that provides funding up to \$250,000 to employers who are willing to raise both internal retirement and re-employment ages ahead of the legislative schedule.

17 Manpower costs

	31 March 2024 \$	31 March 2023 \$ (Restated)
Employees' salaries and bonuses	24,982,750	22,895,991
Central Provident Fund contributions	3,996,384	3,699,615
Other short-term benefits	2,253,188	1,795,670
Contract manpower services	2,467,936	1,770,999
	33,700,258	30,162,275

Presented as:

	31 March 2024 \$	31 March 2023 \$ (Restated)
Costs of generating voluntary income		
- Manpower costs	433,081	425,382
Costs of generating income		
- Manpower costs	3,812,907	3,653,909
Costs of charitable activities		
- Manpower costs		
- Eldercare	17,504,685	15,425,840
- Children and Youth	8,227,197	6,993,838
- Migrant Workers Ministry	529,250	467,262
- Community and Other Services	1,219,039	1,265,594
- Student Care Centre	228,793	209,381
- Evangelical and Outreach Ministries	857,687	822,810
Governance costs		
- Manpower costs	887,619	898,259
	33,700,258	30,162,275

18 Operating and administrative costs

	31 March 2024 \$	31 March 2023 \$ (Restated)
Auditors' remuneration	197,976	170,228
Bank charges	26,955	24,986
Education and pocket money expenses	267,588	201,533
Financial assistance	688,405	421,644
Food expenses	2,507,618	2,593,050
Housekeeping	126,361	124,393
IT expenses	869,200	760,486
Medical supplies	1,753,466	1,595,506
Non property insurance	131,088	43,058
Other expenses	116,724	237,301
Other repair and maintenance	1,188,913	1,442,493
Postage and communication	211,594	243,994
Printing and stationery	129,011	110,187
Professional fees	50,081	31,867
Property repair and maintenance	3,201,215	4,991,779
Publicity and newsletters	71,421	81,644
Rental of building	634,167	630,155
Rental of equipment and furnishings	106,128	59,106
Special event	952,911	510,847
Travelling expenses	1,221,091	1,353,594
Trading	215,863	260,211
Utilities	1,538,305	1,059,718
	16,206,081	16,947,780

Presented as:

	31 March 2024 \$	31 March 2023 \$ (Restated)
Costs of generating voluntary income		
- Operating and administrative costs	51,922	118,895
Costs of generating income		
- Operating and administrative costs	2,158,080	2,241,436
Costs of charitable activities		
- Operating and administrative costs	13,508,367	13,680,366
Governance costs		
- Operating and administrative costs	487,712	907,083
	16,206,081	16,947,780

Notes to the financial statements for the financial year ended 31 March 2024

19 Investment expenses

	31 March 2024	31 March 2023
	\$	\$
Bank charges	16	96
Depreciation of investment property	16,736	16,736
Foreign exchange loss	-	250,712
Impairment loss on investments	-	1,390,759
Investment management and brokerage costs	270,819	325,253
Loss on disposal of investments in financial assets, gross	799,914	4,613,193
Property maintenance costs	12,751	11,233
	1,100,236	6,607,982

20 Tax-deductible donation receipts

The Social Fund unit under the Organisation enjoys concessionary tax treatment whereby qualifying donors are granted tax deductions for the donations made to the Social Fund. This status is effective for the period from 1 July 2022 to 30 June 2025 under the Institutions of a Public Character (“IPC”) Scheme.

There were no fund-raising appeals held by the Organisation with gross receipts exceeding \$1 million in the current and previous financial years.

Included in the donation income recognised in the statement of financial activities is the following amount of tax-deductible donation receipts:

	31 March 2024	31 March 2023
	\$	\$
Total value of tax-deductible donation receipts issued	5,111,545	5,807,131

21 Significant related party transactions

(a) Transactions with related parties

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions between the Organisation and related parties at agreed rates:

	31 March 2024	31 March 2023
	\$	\$
<u>Transactions with The Salvation Army, Malaysia:</u>		
- Contribution for medical fees	-	960
- Manpower cost	12,510	(10,157)
- Usage of premises	-	(576)
- Contribution for HQ support services	29,059	30,940
- Grant from HQ	(165,583)	-
<u>Transactions with The Salvation Army, Myanmar:</u>		
- Manpower cost	26,346	-
- Project Administration fees	-	2,316
- Contribution for HQ support services	1,921	2,081
- Grant from HQ	(39,906)	(7,757)
<u>Transactions with The Salvation Army, Thailand:</u>		
- Manpower cost	42,019	-
- Usage of premises	(1,157)	-
<u>Transactions with International Headquarters:</u>		
- Management fees paid	(26,251)	(25,468)

Related parties refer to other Salvation Army territories under the purview of the Territorial Management Board, which includes those in Malaysia, Myanmar and Thailand. Salvation Army territories are administered by the International Headquarters, which is also a related party.

(c) Compensation of key management personnel

	31 March 2024	31 March 2023
	\$	\$
Employees' salaries and bonuses	2,212,817	1,831,250
Central Provident Fund contributions	211,368	158,718
Other short-term benefits	66,284	55,806
	<u>2,490,469</u>	<u>2,045,774</u>

Number of key management in remuneration bands:

	31 March 2024	31 March 2023
<\$100,000	23	21
\$100,000 to \$150,000	4	3
>\$150,000	4	3

The annual remuneration (comprising basic salary, bonuses, allowances and employer's contribution to Central Provident Fund) of the three (2023: three) highest paid staff classified by remuneration bands are as follows:

	31 March 2024	31 March 2023
>\$150,000	<u>3</u>	<u>3</u>

21 Significant related party transactions (Cont'd)**(c) Compensation of key management personnel (Cont'd)**

There were no claims by the key management personnel for services provided to the Fund, either by reimbursements or providing the key management with an allowance or by direct payment to a third party during the current and previous financial year.

22 Commitments**(a) Operating lease commitments - as lessor**

Future minimum lease receivable under non-cancellable operating leases in respect of rental of premises as at the financial year end date are as follows:

	31 March 2024	31 March 2023
	\$	\$
Not later than one year	654,093	853,079
Later than one year but not later than five years	116,844	661,183
Later than five years	28,800	-
	<u>799,737</u>	<u>1,514,262</u>

Rental income arising from non-cancellable operating leases is recognised in the statement of financial activities as follows:

	31 March 2024	31 March 2023
	\$	\$
Rental income	<u>893,814</u>	<u>855,899</u>

(b) Operating lease commitments - as lessee

Future minimum rental payable under non-cancellable operating leases in respect of rental of land and equipment as at the financial year end date are as follows:

	31 March 2024	31 March 2023
	\$	\$
Not later than one year	339,760	489,880
Later than one year but not later than five years	-	339,760
	<u>339,760</u>	<u>829,640</u>

Rental expense arising from non-cancellable operating leases is recognised in the statement of financial activities as follows:

	31 March 2024	31 March 2023
	\$	\$
Rental expense	<u>532,561</u>	<u>527,948</u>

23 Taxation

The Organisation is registered as an exempt charity under the Charities Act 1994 and is exempted from income tax under the provision of Section 13(1)(zm) of the Income Tax Act 1947.

24 Fund management

The Territorial Governance Board reviews the Organisation's unrestricted reserves annually to ensure that the Organisation will be able to continue as a going concern. The reserve target in each Fund is established at a level below 2 years of Fund's annual operating expenditure.

25 Comparative information

- (a) In the previous financial year, staff costs and operating related expenses charged by the Organisation were presented together as "Support costs". Comparatives figures have been adjusted to conform to the current year's presentation. There is no impact on the surplus for the financial year ended 31 March 2023..

The following table summarises the impacts on the Organisation's financial statements:

	As previously Reported	Restatement	As restated
Statement of financial activities			
At 31 March 2023:			
Expenditure			
Cost of generating voluntary income			
- Manpower costs	375,309	50,073	425,382
- Operating and administrative costs	484,062	(365,167)	118,895
- Other fundraising costs	8,462	425,662	434,124
- Support costs	110,567	(110,567)	-
Costs of generating income			
- Support costs	2,073,909	(2,073,909)	-
Cost of charitable activities			
- Manpower costs			
Eldercare	12,361,941	3,063,899	15,425,840
Children and Youth	5,609,932	1,383,906	6,993,838
Migrant Workers Ministry	374,426	92,836	467,262
Community and Other Services	1,030,973	234,621	1,265,594
Student Care Centre	170,244	39,137	209,381
Evangelical and Outreach Ministries	674,888	147,922	822,810
Other costs			
- Operating and administrative costs	13,039,741	640,625	13,680,366
- Support costs	4,442,801	(4,442,801)	-
Governance costs			
- Manpower costs	263,955	634,304	898,259
- Operating and administrative costs	627,624	279,459	907,083

25 Comparative information (Cont'd)

- (b) In the previous financial year, expenses in Restricted funds were presented as transfer of funds. Comparatives figures have been adjusted to conform to the current year's presentation. There is no impact on the financial performance in relation to the financial year ended 31 March 2023.

The following table summarises the impacts on the Organisation's financial statements:

	As previously Reported	Restatement	As restated
Statement of financial activities			
At 31 March 2023:			
<u>Unrestricted funds</u>			
Grant to Programmes	-	(1,601,709)	(1,601,709)
Transfer between funds	(1,694,284)	1,290,679	(403,605)
<u>Restricted funds</u>			
Grant to Programmes	-	1,601,709	1,601,709
Transfer between funds	1,081,946	(1,290,679)	(208,733)

26 Event after the reporting period

The Salvation Army International Headquarters has officially approved the renaming of the Singapore District Business Board to the Singapore Regional Business Board, effective 1 October 2024.