

**THE SALVATION ARMY, SINGAPORE
SOCIAL FUND**

Unique Entity Number: T07CC3012G

AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2023

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

STATEMENT BY THE SINGAPORE SOCIAL FUND BOARD AND AUDITED FINANCIAL STATEMENTS
for the financial year ended 31 March 2023

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THE SALVATION ARMY, SINGAPORE SOCIAL FUND

STATEMENT BY THE SINGAPORE SOCIAL FUND BOARD

for the financial year ended 31 March 2023

In the opinion of The Singapore Social Fund 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, and the Charities Accounting Standard so as to give a true and fair view of the financial position of The Salvation Army, Singapore Social Fund (the "Fund") as at 31 March 2023 and the results and cash flows of the Fund for the financial year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

The Singapore Social Fund Board approved and authorised the issue of these financial statements.

On behalf of The Singapore Social Fund Board



.....
Lee Chee Yong
Chairman



.....
Pearly Kwok Kwai Choo
Treasurer

Signed on: 19 SEP 2023

**INDEPENDENT AUDITOR'S REPORT TO THE SINGAPORE SOCIAL FUND BOARD OF
THE SALVATION ARMY, SINGAPORE SOCIAL FUND**

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Salvation Army, Singapore Social Fund (the "Fund"), which comprise the statement of financial position as at 31 March 2023, the statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The Fund is a segment of The Salvation Army, Singapore (the "Organisation"), and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Organisation and reflect only the transactions relating to the Fund.

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 give a true and fair view of the financial position of the Fund as at 31 March 2023 and of the results and cash flows of the Fund 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Other Information

The Singapore Social Fund Board is responsible for the other information. The other information comprises the information included in the Statement by the Singapore Social Fund 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 identified above when it becomes available 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 SINGAPORE SOCIAL FUND BOARD OF
THE SALVATION ARMY, SINGAPORE SOCIAL FUND**

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Responsibilities of the Singapore Social Fund Board for the Financial Statements

The Singapore Social Fund Board is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Salvation Army Ordinance 1939, the Charities Act and Regulations and CAS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The Singapore Social Fund Board's responsibilities include overseeing the Fund'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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Singapore Social Fund Board.

**INDEPENDENT AUDITOR'S REPORT TO THE SINGAPORE SOCIAL FUND BOARD OF
THE SALVATION ARMY, SINGAPORE SOCIAL FUND**

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

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

- Conclude on the appropriateness of the Singapore Social Fund Board'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 Fund'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 Fund 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.

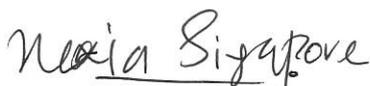
We communicate with the Singapore Social Fund Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Fund 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 use of the donation monies was not in accordance with the objectives of the Fund as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Fund has not complied with the requirements of regulation 15 of the Charities (Institutions of a Public Character) Regulations.



NEXIA SINGAPORE PAC
(f.k.a. KRESTON ACA PAC)
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Chua Soo Rui

Date: 19 SEP 2023

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

for the financial year ended 31 March 2023

	Note	2023			2022 (Restated)	
		Unrestricted funds S\$	Asset amortisation funds S\$	Restricted funds S\$	Total S\$	Total S\$
Expenditures						
Cost of generating funds						
Costs of generating voluntary income						
- Manpower costs	8	427,002	-	-	427,002	478,568
- Operating and administrative costs	9	524,246	-	-	524,246	395,659
- Support costs	10	88,811	-	17,643	106,454	97,016
Costs of generating income						
- Other fundraising costs		8,419	-	-	8,419	7,543
Investment management costs	11	113,066	-	-	113,066	10,023
Costs of charitable activities						
Manpower costs						
- Eldercare	8	12,235,209	-	208,270	12,443,479	12,803,225
- Children and Youth		39,497	-	5,576,353	5,615,850	4,831,326
- Migrant Workers Ministry		376,336	-	-	376,336	409,210
- Community and Other Services		1,097,676	-	62,573	1,160,249	878,223
Other costs						
- Depreciation and amortisation expenses		-	516,953	-	516,953	474,945
- Operating and administrative costs	9	10,143,209	-	1,865,001	12,008,210	11,432,524
- Support costs	10	3,568,409	-	709,077	4,277,486	4,064,267

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

for the financial year ended 31 March 2023

	2023			2022	
		Unrestricted funds S\$	Asset amortisation funds S\$	Restricted funds S\$	(Restated) Total S\$
Expenditures (Continued)					
Governance costs					
Manpower costs	8	142,334	-	-	159,523
Operating and administrative costs	9	179,286	-	24,595	284,536
Support costs	10	146,714	-	-	125,457
Intangible assets written off		-	-	-	41,172
Plant and equipment written off		-	28,750	-	-
Total expenditures		29,090,214	545,703	8,463,512	38,099,429
Deficit before grant from General Fund, Singapore		(222,626)	(545,703)	(1,908,755)	(1,740,906)
Grant from General Fund, Singapore		-	-	204,633	124,320
Transfer from General Fund, Singapore		115,050	174,410	-	4,145,391
(Deficit)/surplus for the year		(107,576)	(371,293)	(1,704,122)	2,528,805
Transfer between funds		(1,516,211)	328,666	1,187,545	-
Net movement in funds and reserves		(1,623,787)	(42,627)	(516,577)	2,528,805
Reconciliation of funds and reserves					
Total funds and reserves brought forward		12,881,624	1,183,062	4,522,984	16,058,865
Total funds and reserves carried forward		11,257,837	1,140,435	4,006,407	18,587,670

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$ (Restated)
<u>Assets</u>			
Non-current assets			
Plant and equipment	12	787,399	906,537
Intangible assets	13	353,036	276,525
		<u>1,140,435</u>	<u>1,183,062</u>
Current assets			
Trade and other receivables	14	3,484,352	4,294,627
Cash and cash equivalents	15	15,510,092	16,564,179
		<u>18,994,444</u>	<u>20,858,806</u>
Total assets		<u>20,134,879</u>	<u>22,041,868</u>
<u>Liabilities</u>			
Current liability			
Trade and other payables	16	3,730,200	3,454,198
Total liability		<u>3,730,200</u>	<u>3,454,198</u>
Net assets		<u>16,404,679</u>	<u>18,587,670</u>
Represented by:			
<u>Funds and reserves</u>			
Asset amortisation funds	17	1,140,435	1,183,062
Restricted funds	18	4,006,407	4,522,984
Unrestricted funds	19	11,257,837	12,881,624
Total funds and reserves		<u>16,404,679</u>	<u>18,587,670</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Cash flows from operating activities			
(Deficit)/surplus for the year		(2,182,991)	2,528,805
Adjustments for:			
Interest income	5	(126,807)	(16,683)
Plant and equipment written off		28,750	-
Intangible assets written off		-	41,172
Gain on disposal of plant and equipment		-	(4,430)
Depreciation of plant and equipment		397,573	355,375
Amortisation of intangible assets		119,380	119,570
Operating cash flows before changes in working capital		<u>(1,764,095)</u>	<u>3,023,809</u>
Restricted cash		(27,173)	481,234
Trade and other receivables		870,817	(1,878,249)
Trade and other payables		<u>276,002</u>	<u>(768,305)</u>
Net cash flows generated (used in)/from operating activities		<u>(644,449)</u>	<u>858,489</u>
Cash flows from investing activities			
Purchase of plant and equipment		(307,185)	(97,707)
Proceeds from disposal of plant and equipment		-	4,831
Purchase of intangible assets		(195,891)	-
Interest income received		66,265	23,915
Net cash flows used in investing activities		<u>(436,811)</u>	<u>(68,961)</u>
Net (decrease)/increase in cash and cash equivalents		(1,081,260)	789,528
Cash and cash equivalents at beginning of financial year		<u>15,295,419</u>	<u>14,505,891</u>
Cash and cash equivalents at end of financial year	15	<u>14,214,159</u>	<u>15,295,419</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 March 2023

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

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 Social Fund (the "Fund") operates or provides:

- nursing home;
- residential homes for children and young people at risk;
- ministries to troubled young people;
- day care centre for the elderly;
- 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.

There have been no significant changes in the nature of the Fund's activities during the year.

The Fund is a segment of the Organisation, and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Organisation and reflect only the transactions relating to the Fund.

The financial statements of the Fund for the current financial year were approved and authorised for issue by the Singapore Social Fund Board on the date of the Statement by the Singapore Social Fund Board.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with 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 ("S\$"), which is the Fund's functional currency. All financial information presented in S\$ are expressed in units, unless otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

2.3 Income recognition

Income is recognised in the Statement of Financial Activities to the extent that the Fund 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.

Income from generated funds

(a) Voluntary income

The Fund's voluntary income comprises cash donations, and donations-in-kind:

- Cash donations are recognised when the Fund 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 Fund, which approximates the open market value for similar items; and

(b) Activities for generating funds

This is mainly made up of fundraising income and rental fees:

- Fundraising income relates to proceeds from fundraising events held by the Organisation and Fund and is recognised on cash basis; and
- Rental fees are recognised on a straight-line basis over the period of the lease.

(c) Investment income

Investment income is recognised by the Organisation when receivable. In the financial statements of the Fund, investment income refers to interest income allocated to the Fund by the Organisation.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

2. Summary of significant accounting policies (Continued)

2.3 Income recognition (Continued)

Income from charitable activities

a) Programme fees

These are programme fees for the provision of services by the Fund 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.

c) Community Chest Funding

Community Chest Funding 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.

d) Sundry revenue

Sundry revenue is mainly made up of other income that the Fund is unable to analyse under the main income categories.

Other income

This income mainly comprises government grants under the Jobs Support Scheme, the Wage Credit and Special Employment Credit Schemes, and the Courage-to-Care. Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

2.4 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, cost of fundraising events and investment management cost.

Costs of charitable activities

Costs of charitable activities comprise all costs incurred by the Fund in providing residential care, healthcare and community services. Such costs include manpower costs, property maintenance costs, operating costs and other administrative costs.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

2. Summary of significant accounting policies (Continued)

2.4 Expenditures (Continued)

Governance costs

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

2.5 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.

2.6 Foreign currency

Transactions in foreign currencies are measured in the functional currency of the Fund 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.

2.7 Plant and equipment

All items of 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 Fund.

The cost of an item of 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 Fund and the cost of the item can be measured reliably. The Fund's policy is to capitalise assets that cost more than S\$10,000.

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

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

2. Summary of significant accounting policies (Continued)

2.7 Plant and equipment (Continued)

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:

Motor vehicles	- 5 years
Equipment and software	- 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 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.

Equipment-in-progress

Equipment-in-progress are reclassified to the appropriate category of plant and equipment when completed and ready for use. An equipment-in-progress is not depreciated as the asset is not yet available for use.

2.8 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 the computer software (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.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

2. Summary of significant accounting policies (Continued)

2.9 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.

2.10 Cash and cash equivalents

Cash 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 excludes restricted cash.

2.11 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.

2.12 Funds and reserves

(a) Asset amortisation funds

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

(b) Unrestricted funds

Unrestricted funds are funds that is 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.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

2. Summary of significant accounting policies (Continued)

2.13 Taxes

Goods 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.

2.14 Leases

As lessee

Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term. The aggregate benefit of incentive provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.15 Provisions

Provisions are recognized 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 Fund'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.

3. Significant accounting judgements and estimates

The preparation of the Fund's financial statements in conformity with CAS requires the Singapore Social Fund Board to make judgements, 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 Singapore Social Fund Board 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.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

4. Tax-deductible donation receipts

The Organisation enjoys concessionary tax treatment whereby qualifying donors are granted tax deductions for the donations made to the Organisation. 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 for the Fund with gross receipts exceeding S\$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:

	<u>2023</u> S\$	<u>2022</u> S\$
Total value of tax-deductible donation receipts issued	<u>5,807,131</u>	<u>5,694,719</u>

5. Investment income

	<u>2023</u> S\$	<u>2022</u> S\$
Interest income		
- Fixed and short-term deposits	<u>126,807</u>	<u>16,683</u>

Interest earned through the Organisation's investment activities are allocated to the Fund based on an internal allocation method applied on a consistent basis approved by the Territorial Management Board.

6. Funding from government

	<u>2023</u> S\$	<u>2022</u> S\$
Government subventions	20,073,721	20,594,484
Community Silver Trust grant	347,327	380,340
Others	294,051	101,835
	<u>20,715,099</u>	<u>21,076,659</u>

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

7. Funding from government – others

	<u>2023</u> S\$	<u>2022</u> S\$
Jobs Support Scheme grant income	-	240,316
Wage Credit and Special Employment Credit schemes	-	272,632
MSF Courage-to-Care Award	40,365	-
Others	35,695	133,198
	<u>76,060</u>	<u>646,146</u>

- (a) The Jobs Support Scheme provides wage support to employers to help them retain their local employees during the period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.
- (b) Ministry of Social and Family Development (“MSF”) and The Courage Fund¹ 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:

¹ 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 current COVID-19 situation.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the financial year ended 31 March 2023

8. Manpower costs

	<u>Costs of generating voluntary income</u> S\$	<u>Costs of charitable activities</u> S\$	<u>Governance costs</u> S\$	<u>Total</u> S\$
<u>2023</u>				
Employees' salaries and bonuses	362,500	14,763,229	120,834	15,246,563
Central Provident Fund contributions	53,335	2,694,868	17,778	2,765,981
Other short-term benefits	10,267	1,227,728	3,422	1,241,417
Contract manpower services	900	910,089	300	911,289
	<u>427,002</u>	<u>19,595,914</u>	<u>142,334</u>	<u>20,165,250</u>
<u>2022 (Restated)</u>				
Employees' salaries and bonuses	406,424	14,718,474	135,475	15,260,373
Central Provident Fund contributions	61,620	2,413,593	20,540	2,495,753
Other short-term benefits	9,699	1,045,940	3,233	1,058,872
Contract manpower services	825	743,977	275	745,077
	<u>478,568</u>	<u>18,921,984</u>	<u>159,523</u>	<u>19,560,075</u>

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

9. Other operating and administrative costs

	<u>Costs of generating voluntary income</u> S\$	<u>Costs of charitable activities</u> S\$	<u>Governance costs</u> S\$	<u>Total</u> S\$
2023				
Appeals materials	373,997	-	29,690	403,687
Assistance to clients and families	-	390,179	-	390,179
Education and recreation	-	481,251	-	481,251
Food and refreshments	-	2,567,539	-	2,567,539
Housekeeping	-	107,907	-	107,907
Insurance	-	38,382	-	38,382
Maintenance of equipment and furnishings	7,255	796,878	2,418	806,551
Maintenance of vehicles	-	104,803	-	104,803
Medical services and supplies	-	1,595,263	-	1,595,263
Non-property licence and insurance	26,137	511,996	8,712	546,845
Postage and communication	38,966	113,193	12,988	165,147
Printing and stationery	1,909	72,617	18,652	93,178
Professional fee - audit	-	-	121,065	121,065
Property maintenance costs	-	1,359,352	-	1,359,352
Rental of building	8,820	1,816,194	2,940	1,827,954
Rental of equipment and furnishings	1,993	24,659	665	27,317
Transaction fees and charges	57,044	-	1,792	58,836
Transportation costs	1,602	125,492	534	127,628
Transportation service fees	-	1,111,135	-	1,111,135
Travelling	-	1,226	-	1,226
Utilities	2,434	750,785	811	754,030
Other expenses	4,089	39,359	3,614	47,062
	<u>524,246</u>	<u>12,008,210</u>	<u>203,881</u>	<u>12,736,337</u>

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

9. Other operating and administrative costs (Continued)

	<u>Costs of generating voluntary income</u> S\$	<u>Costs of charitable activities</u> S\$	<u>Governance costs</u> S\$	<u>Total</u> S\$
2022 (Restated)				
Appeals materials	296,729	-	12,172	308,901
Assistance to clients and families	-	380,474	-	380,474
Education and recreation	-	288,843	-	288,843
Food and refreshments	-	2,829,603	-	2,829,603
Housekeeping	-	95,928	-	95,928
Insurance	-	35,969	-	35,969
Maintenance of equipment and furnishings	3,837	419,280	1,279	424,396
Maintenance of vehicle	-	81,295	-	81,295
Medical services and supplies	-	1,886,429	-	1,886,429
Non-property licence and insurance	16,736	429,165	5,579	451,480
Postage and communication	16,504	127,237	5,502	149,243
Printing and stationery	1,470	61,928	12,790	76,188
Professional and support fees	-	-	-	-
Professional fee - audit	-	-	116,357	116,357
Property maintenance costs	-	1,005,259	-	1,005,259
Rental of building	8,190	1,814,881	2,730	1,825,801
Rental of equipment and furnishings	2,063	29,871	687	32,621
Staff training	-	-	-	-
Telephone and fax charges	-	-	-	-
Transaction fees and charges	42,887	-	1,265	44,152
Transportation costs	366	82,173	122	82,661
Transportation service fees	-	1,089,033	-	1,089,033
Travelling	-	1,760	-	1,760
Utilities	2,358	734,630	786	737,774
Other expenses	4,519	38,766	125,267	168,552
	<u>395,659</u>	<u>11,432,524</u>	<u>284,536</u>	<u>12,112,719</u>

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the financial year ended 31 March 2023

10. Support costs

	<u>Costs of generating voluntary income</u> S\$	<u>Costs of charitable activities</u> S\$	<u>Governance costs</u> S\$	<u>Total</u> S\$
<u>2023</u>				
Management and governance	15,010	603,126	20,687	638,823
Communications	4,897	196,764	6,749	208,410
Fund raising cost	17,352	697,230	23,914	738,496
Programme development	23,207	932,492	31,984	987,683
Administration and facilities	9,368	376,419	12,911	398,698
Human resources	13,413	538,963	18,486	570,862
Finance	12,562	504,743	17,312	534,617
Information Technology	10,645	427,749	14,671	453,065
	<u>106,454</u>	<u>4,277,486</u>	<u>146,714</u>	<u>4,530,654</u>
<u>2022 (Restated)</u>				
Management and governance	12,127	508,034	15,682	535,843
Communications	3,784	158,506	4,893	167,183
Fund raising cost	15,620	654,347	20,199	690,166
Programme development	20,664	865,689	26,722	913,075
Administration and facilities	8,246	345,463	10,664	364,373
Human resources	12,806	536,483	16,560	565,849
Finance	12,127	508,033	15,682	535,842
Information Technology	11,642	487,712	15,055	514,409
	<u>97,016</u>	<u>4,064,267</u>	<u>125,457</u>	<u>4,286,740</u>

Support costs are costs incurred in supporting the activities of the Fund. Support costs are apportioned based on the Fund's total expenditure.

11. Investment management costs

	<u>2023</u> S\$	<u>2022</u> S\$
Bank charges	64	51
Realised loss on foreign exchange	113,002	9,972
	<u>113,066</u>	<u>10,023</u>

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

12. Plant and equipment

	<u>Motor vehicles</u> S\$	<u>Equipment and software</u> S\$	<u>Equipment- in-progress</u> S\$	<u>Total</u> S\$
Cost:				
At 1 April 2021	1,304,951	3,207,391	24,004	4,536,346
Additions	-	73,701	24,006	97,707
Transfer from General Fund	-	(82,983)	-	(82,983)
Written off	(135,174)	-	-	(135,174)
Reclassification	-	(1,346,645)	-	(1,346,645)
At 31 March 2022	1,169,777	1,851,464	48,010	3,069,251
Additions	-	307,185	-	307,185
Written off	-	-	(28,750)	(28,750)
Reclassification	-	19,260	(19,260)	-
At 31 March 2023	1,169,777	2,177,909	-	3,347,686
Accumulated depreciation:				
At 1 April 2021	1,183,750	2,065,276	-	3,249,026
Depreciation for the year	37,119	318,256	-	355,375
Written-off	-	(82,983)	-	(82,983)
Disposal	(134,773)	-	-	(134,773)
Reclassification	-	(1,223,931)	-	(1,223,931)
At 31 March 2022	1,086,096	1,076,618	-	2,162,714
Depreciation for the year	35,515	362,058	-	397,573
At 31 March 2023	1,121,611	1,438,676	-	2,560,287
Net carrying amount:				
At 31 March 2022	83,681	774,846	48,010	906,537
At 31 March 2023	48,166	739,233	-	787,399

As at the previous financial year end, the equipment-in-progress relates to equipment located at the Peacehaven residential nursing home.

As at 31 March 2022, the Fund has reclassified computer software amounted to S\$122,714 to intangible assets.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the financial year ended 31 March 2023

13. Intangible assets

	<u>Computer software</u> S\$	<u>Computer software-in- progress</u> S\$	<u>Total</u> S\$
Cost:			
At 1 April 2021	356,097	-	356,097
Reclassification	1,346,645	-	1,346,645
Written off	(1,129,130)	-	(1,129,130)
At 31 March 2022	573,612	-	573,612
Additions	122,531	73,360	195,891
At 31 March 2023	696,143	73,360	769,503
Accumulated depreciation:			
At 1 April 2021	41,544	-	41,544
Amortisation for the year	119,570	-	119,570
Reclassification	1,223,931	-	1,223,931
Written off	(1,087,958)	-	(1,087,958)
At 31 March 2022	297,087	-	297,087
Amortisation for the year	119,380	-	119,380
At 31 March 2023	416,467	-	416,467
Net carrying amount:			
At 31 March 2022	276,525	-	276,525
At 31 March 2023	279,676	73,360	353,036

During the financial year, the computer software located at the Gracehaven Children's Home is under development and is not depreciated as the asset is not yet available for use.

14. Trade and other receivables

	<u>2023</u> S\$	<u>2022</u> S\$
Programme fees receivable	512,229	469,392
Other receivables	2,908,157	3,820,811
Interest receivable - fixed and short-term deposits	63,966	3,424
Prepayment	-	1,000
	<u>3,484,352</u>	<u>4,294,627</u>

Other receivables mainly relate to government funding receivable.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

15. Cash and cash equivalents

	<u>2023</u> S\$	<u>2022</u> S\$
Cash on hand and at bank	8,440,447	7,564,179
Fixed deposit	7,069,645	9,000,000
Cash and cash equivalents as per statement of financial position	15,510,092	16,564,179
Less: Monies held on behalf of Medifund account (Note 16)	(1,295,933)	(1,268,760)
Cash and cash equivalents as per statement of cash flows	<u>14,214,159</u>	<u>15,295,419</u>

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

Fixed deposits are made for varying periods of between 3 to 12 months (2022: 3 to 12 months) depending on the cash requirements of the Fund. Fixed deposits earn interest at deposit rates ranging between 0.03% to 3.80% (2022: 0.02% to 1.40%) per annum.

16. Trade and other payables

	<u>2023</u> S\$	<u>2022</u> S\$
Trade payables	984,766	763,410
Accruals	602,511	468,007
Deposits collected from patients	271,279	285,692
Medifund account (Note 15)	1,295,933	1,268,760
Unearned income	-	87,184
Provision for unutilised leave	552,061	567,757
Other payables	23,650	13,388
	<u>3,730,200</u>	<u>3,454,198</u>

The Medifund account refers to funds received from Medifund, 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 Organisation's Medifund committee.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

17. Asset amortisation funds

	<u>2023</u>	<u>2022</u>
	S\$	S\$
At beginning of the year	1,183,062	1,601,873
Depreciation and amortisation expense	(516,953)	(474,945)
Gain on disposal of plant and equipment	-	4,430
Written off assets	(28,750)	(41,172)
Transfer from General Fund	174,410	-
Transfer between funds:		
Transfer from restricted funds (Note 18)	209,531	24,005
Transfer from unrestricted funds (Note 19)	119,135	68,871
	<u>328,666</u>	<u>92,876</u>
At end of the year	<u>1,140,435</u>	<u>1,183,062</u>

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

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the financial year ended 31 March 2023

18. Restricted funds

	Property reserve		(a(i)) Furniture, fittings and equipment reserve S\$	(a(ii)) to (c) Programme reserve S\$	(d) Education reserve S\$	Centre reserve S\$	Total S\$
	Charity Bike 'n' Blade S\$	Equipment reserve S\$					
At 1 April 2021	295,794	-	-	15,000	-	654,613	965,407
Surplus/(deficit) for the year	-	24,005	-	(1,842,498)	10,000	-	(1,808,493)
Grant from General Fund, Singapore	-	-	-	124,320	-	-	124,320
Transfer from General Funds, Singapore	-	-	2,071,984	1,390,793	-	-	3,462,777
Transfer between funds:							
- Transfers between restricted funds	-	-	-	654,613	-	(654,613)	-
- Transfer to asset amortisation funds (Note 17)	-	(24,005)	-	-	-	-	(24,005)
- Transfer from unrestricted funds (Note 19)	-	-	-	1,802,978	-	-	1,802,978
	-	(24,005)	-	2,457,591	-	(654,613)	1,778,973
At 31 March 2022	295,794	-	2,071,984	2,145,206	10,000	-	4,522,984
Deficit for the year	(81,936)	-	(100,796)	(1,723,275)	(2,748)	-	(1,908,755)
Grant from General Funds, Singapore	-	-	-	204,633	-	-	204,633
Transfer between funds:							
- Transfer to asset amortisation funds (Note 17)	-	-	(125,371)	(84,160)	-	-	(209,531)
- Transfer from unrestricted funds (Note 19)	-	-	-	1,397,076	-	-	1,397,076
	-	-	(125,371)	1,312,916	-	-	1,187,545
At 31 March 2023	213,858	-	1,845,817	1,939,480	7,252	-	4,006,407

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

18. Restricted funds (Continued)

- (a) The Jade Circle building project has completed during the previous financial year. The balance of the building funds amounting to S\$3,462,777 was re-allocated to fund Jade Circle's operations as specified by the donors.
- (i) Equipment & Software for Jade Circle Residential & Arena reserve will be used for purchase of equipment for programme in Jade Circle Residential area and Jade Circle Arena area and to pay for the yearly subscription of software systems used in Jade Circle Arena.
 - (ii) Staff Training in Dementia Care reserve will be used to pay the training cost for staff.
 - (iii) Dementia Awareness Campaigns and Outreach Events reserve will be used to pay for campaigns and workshops for promoting Dementia Awareness.
 - (iv) Training Centre Education Manager and Learning Management Systems reserve will be used for hiring the Education Manager to develop and expand curricula of training modules in dementia care and to pay the yearly subscription of aCAREdemy Learning Management Systems - the e-learning platform used by Peacehaven Training Centre
- (b) In the previous financial year, the Group received the Sayang Sayang Fund. It is 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.
- (c) Programme reserves also comprise surplus generated by Gracehaven Fostering Agency and Kids-In-Play. The use of this reserve is restricted to support the purpose of the respective programme's stated objectives.
- (d) In the previous financial year, Gracehaven Children's Home received donation of S\$10,000 restricted for education purposes.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

19. Unrestricted funds

	(a)					(b)		
	Unrestricted reserve S\$	Development fund S\$	Property reserve S\$	Vehicle reserve S\$	Programme reserve S\$	Furniture, fixtures and equipment reserve S\$	Centre reserve S\$	Total S\$
At 1 April 2021	8,568,817	117,523	151,670	1,332,515	2,906,502	2,091	412,467	13,491,585
Surplus/(deficit) for the year	1,307,348	(1,601)	-	(7,700)	(716,682)	(2,091)	-	579,274
Transfer from/(to) General Funds, Singapore	286,493	-	(151,670)	-	547,791	-	-	682,614
Transfer between funds:								
Transfer between unrestricted funds	339,894	-	-	86,400	(13,827)	-	(412,467)	-
Transfer from/(to) asset amortisation funds (Note 17)	-	-	-	4,831	(73,702)	-	-	(68,871)
Transfer to restricted funds (Note 18)	(1,802,978)	-	-	-	-	-	-	(1,802,978)
	(1,463,084)	-	-	91,231	(87,529)	-	(412,467)	(1,871,849)
At 31 March 2022	8,699,574	115,922	-	1,416,046	2,650,082	-	-	12,881,624
Surplus/(deficit) for the year	478,255	(1,109)	-	(5,208)	(694,564)	-	-	(222,626)
Transfer from General Funds, Singapore	-	-	-	-	115,050	-	-	115,050
Transfer between funds:								
Transfer between unrestricted funds	(86,400)	-	-	86,400	-	-	-	-
Transfer to asset amortisation funds (Note 17)	(74,986)	-	-	-	(44,149)	-	-	(119,135)
Transfer to restricted funds (Note 18)	(1,397,076)	-	-	-	-	-	-	(1,397,076)
	(1,558,462)	-	-	86,400	(44,149)	-	-	(1,516,211)
At 31 March 2023	7,619,367	114,813	-	1,497,238	2,026,419	-	-	11,257,837

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

19. Designated funds (Continued)

- (a) Programme reserve consists of funds set aside for the cost of programmes and capital expenditure for the Peacehaven Jade Circle building and other special projects. Such special projects are funded by government grants under the Community Silver Trust ("CST") scheme and/or legacy bequests. During the financial year, an amount of S\$115,049 (2022: S\$547,790) relating to planned capital expenditure for Peacehaven was transferred to the General Fund's Property Reserve.

The CST scheme is a funding programme by the Singapore government to provide dollar-for-dollar matching grants to encourage donations into the intermediate and long-term care sector in Singapore. As of the financial year end, the unutilised CST grants included in the Fund's Programme reserve amounted to S\$1,395,008 (2022: S\$2,171,838). The unutilised grants are subject to the following expiry dates:

<u>Expiry date</u>	<u>S\$</u>
31 March 2024	958,408
31 March 2025	228,204
31 March 2026	208,396
	<u>1,395,008</u>

- (b) Centre reserve consists of surplus funds generated by the Peacehaven Nursing Home and Carehaven programme during the financial year ended 31 March 2022, and ringfenced to meet the future operating expenses of the nursing home and programme respectively.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

20. Related party transactions

a) Transactions with other units of the Organisation

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Fund and other units of the Organisation took place at terms agreed between the parties during the financial year:

	<u>2023</u> S\$	<u>2022</u> S\$ (Restated)
Grant from General Fund, Singapore	204,633	124,320
Costs of generating voluntary income: <u>General Fund, Singapore</u>		
- Support costs	(106,454)	(97,016)
Costs of charitable activities: <u>General Fund, Singapore</u>		
- Laptop levy	(3,330)	(2,160)
- Staff training levy	(128,940)	(120,336)
- Staff health benefit	(6,660)	(4,320)
- Property maintenance levy	(14,400)	(14,400)
- Rental of building	(1,712,094)	(1,741,828)
- Rental of quarters	(18,144)	(18,144)
- Special event	(1,285)	-
- Support costs	(4,277,486)	(4,064,267)
Governance costs: <u>General Fund, Singapore</u>		
- Support costs	<u>(146,714)</u>	<u>(125,457)</u>

b) Compensation of key management personnel

Key management personnel comprise members of The Singapore Social Fund Board, Territorial Management Board and the District Business Board. The key management personnel received remuneration or other benefits and such amounts are recorded in General Fund, Singapore. 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.

21. Taxation

The Fund is part of the operations of The Salvation Army, Singapore, which is registered as an exempt charity under the Charities Act 1994. By virtue of Section 13(1)(zm) of the Income Tax Act 1947, the Organisation's income is exempted from income tax.

THE SALVATION ARMY, SINGAPORE SOCIAL FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the financial year ended 31 March 2023

22. Fund management

The Singapore Social Fund Board reviews the Social Fund's unrestricted reserves annually to ensure that the Fund 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.

23. Comparatives

The Fund has modified the presentation of certain items in order to streamline the presentation of the statement of financial activities and financial position. Accordingly, certain comparative amounts have been reclassified in order to conform to the current year's presentation. As these reclassifications are within the statement of financial activities and statement of financial position, there is no impact on accumulated funds brought forward.

The details of the reclassifications are summarised below.

	<u>As previously reported</u> S\$	<u>Reclassification</u> S\$	<u>As reclassified</u> S\$
Statement of financial position			
Funds and reserves			
Designated funds	4,182,050	(4,182,050)	-
Unrestricted funds	8,699,574	4,182,050	12,881,624
Statement of financial activities			
<u>Expenditure</u>			
Cost of generating funds			
Costs of generating voluntary income			
- Manpower costs	638,091	(159,523)	478,568
- Operating and administrative costs	440,078	(44,419)	395,659
- Support costs	-	97,016	97,016
Costs of charitable activities			
Manpower costs			
- Other social services	1,287,433	(1,287,433)	-
- Migrant workers ministry	-	409,210	409,210
- Community and other services	-	878,223	878,223
Other costs			
- Support costs	-	4,064,267	4,064,267
Governance costs			
Manpower costs	-	159,523	159,523
Operating and administrative costs	4,526,857	(4,242,321)	284,536
Support costs	-	125,457	125,457