

Financial statements

**The Salvation Army, Singapore
Social Fund**

For the financial year ended 31 March 2026

Organisation information

Unique Entity Number (UEN)	T07CC3012G
Registered office	20 Bishan Street 22 Singapore 579768
Main Committee	Mr. Lee Chee Yong Lieut. Colonel Nigel Cross Mr. Geh Si Yuan Mr. Yeo Jih-Shian Ms. Pearly Kwok Kwai Choo Ms. Ang Sok Leng Dr. Koh Wee Boon, Kelvin Mr. Lim Thean Hock, Stephen Mr. Troy Lim Shao Ming (Appointed on 2 May 2025) Colonel Richard Alan Borrett (Appointed on 1 August 2025) Colonel Hary Haran M V Ramasamy (Concluded his tenure on 31 July 2025)
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

Contents

	Page
Statement by The Singapore Social Fund Board	1
Independent auditor’s report	2
Statement of financial position	5
Statement of financial activities	6
Statement of cash flows	10
Notes to the financial statements	11

Statement by The Singapore Social Fund Board for the financial year ended 31 March 2026

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 (the "Charities Act and Regulations"), and the Charities Accounting Standard so as to present fairly, in all material respects, the state of affairs of Social Fund (the "Fund") operated by The Salvation Army, Singapore (the "Organisation") as at 31 March 2026 and the results and cash flows of the Fund for the financial year then ended;
- (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;
- (c) the Fund 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 Fund 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 Fund have been properly kept in accordance with the provisions of the Charities Act and Regulations.

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

Dated: **30 SEP 2026**

Independent auditor's report to The Singapore Social Fund Board of The Salvation Army, Singapore Social Fund

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 2026, 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.

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 present fairly, in all material respects, the state of affairs of the Fund as at 31 March 2026 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 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"), as applicable to audit of financial statement of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities 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 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 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 Singapore Social Fund Board of The Salvation Army, Singapore Social Fund (Cont'd)

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

Responsibilities of Management and The Singapore Social Fund Board for the Financial Statements

The 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 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 management either intends to liquidate the Fund or 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 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 Fund'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 Singapore Social Fund Board of The Salvation Army, Singapore Social Fund (Cont'd)

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

Auditor's Responsibilities for the Audit of the Financial Statements (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 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 Charities Act and Regulations 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:

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ong Soo Ann.



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 30 SEP 2026

Statement of financial position as at 31 March 2026

	Note	31 March 2026 \$	31 March 2025 \$
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,524,634	901,489
Intangible assets	4	96,264	170,827
		1,620,898	1,072,316
Current assets			
Trade and other receivables	5	4,600,512	3,388,611
Cash and bank balances	6	19,567,297	15,105,597
		24,167,809	18,494,208
Total assets		25,788,707	19,566,524
LIABILITIES			
Current liabilities			
Trade and other payables	7	3,138,045	2,669,276
Provision for unutilised leave	8	522,407	511,350
Total liabilities		3,660,452	3,180,626
Net assets		22,128,255	16,385,898
Represented by:			
Funds and reserves			
Asset amortisation funds	9	1,620,897	1,072,316
Unrestricted funds	10	13,911,773	10,669,899
Restricted funds	11	6,595,585	4,643,683
Total funds and reserves		22,128,255	16,385,898

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 2026

31 March 2026				
Note	Unrestricted funds \$	Asset amortisation funds \$	Restricted funds \$	Total \$
Income				
Income from generated funds				
Voluntary income				
- Donations	12	6,829,299	1,765,111	8,594,410
Activities for generating funds				
- Rental Fee		137,032	-	137,032
- Sundry Revenue		9,000	-	9,000
Investment income	13	115,256	-	115,256
Income from charitable activities				
- Programme Fees		8,924,405	28,142	8,952,547
- Funding from government	14	19,006,589	11,117,765	30,124,354
- Funding from Community Chest		-	969,730	969,730
- Funding – Others		127,329	-	127,329
- Sundry revenue		74,318	9,255	83,573
Other income				
- Funding from government - others	15	856,704	-	856,704
- Sundry revenue		297	-	297
Total income		36,080,229	13,890,003	49,970,232

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

Statement of financial activities (Cont'd) for the financial year ended 31 March 2026

----- 31 March 2026 -----					
		Unrestricted funds \$	Asset amortisation funds \$	Restricted funds \$	Total \$
	Note				
<u>Expenditure</u>					
Cost of generating funds					
Costs of generating voluntary income					
- Manpower costs	16	585,268	-	30,283	615,551
- Operating and administrative costs	17	629,597	-	32,104	661,701
Investment expenses		11	-	-	11
Costs of charitable activities					
Manpower costs	16				
- Eldercare		17,504,386	-	720,469	18,224,855
- Children and Youth		1,000,997	-	6,556,693	7,557,690
- Migrant Workers Ministry		736,003	-	-	736,003
- Community and other Services		997,632	-	23	997,655
Other costs					
- Operating and administrative costs	17	9,929,781	1,134	4,009,264	13,940,179
- Depreciation and amortisation expenses		-	397,350	-	397,350
Governance costs					
- Manpower costs	16	641,422	-	75,961	717,383
- Operating and administrative costs	17	323,114	-	56,383	379,497
Total expenditure		32,348,211	398,484	11,481,180	44,227,875
Surplus/(deficit) for the year					
Transfer between funds		(490,144)	947,065	(456,921)	-
Net movement in funds and reserves		3,241,874	548,581	1,951,902	5,742,357
<u>Reconciliation of funds and reserves</u>					
Total funds and reserves brought forward		10,669,899	1,072,316	4,643,683	16,385,898
Total funds and reserves carried forward		13,911,773	1,620,897	6,595,585	22,128,255

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

Statement of financial activities (Cont'd) for the financial year ended 31 March 2026

31 March 2025					
		Unrestricted funds	Asset amortisation funds	Restricted funds	Total
	Note	\$	\$	\$	\$
Income					
Income from generated funds					
Voluntary income					
- Donations	12	6,510,277	-	2,168,964	8,679,241
Activities for generating funds					
- Fundraising		13,050	-	-	13,050
Rental fee		120,666	-	42,000	162,666
Investment income	13	192,469	-	-	192,469
Income from charitable activities					
- Programme Fees		7,694,077	-	28,739	7,722,816
- Funding from government	14	16,558,063	-	7,039,791	23,597,854
- Funding from Community Chest		-	-	532,870	532,870
- Sundry revenue		86,052	-	8,304	94,356
Other income					
- Funding from government - others	15	688,762	-	-	688,762
Total income		31,863,416	-	9,820,668	41,684,084

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

Statement of financial activities (Cont'd) for the financial year ended 31 March 2026

31 March 2025					
		Unrestricted funds	Asset amortisation funds	Restricted funds	Total
	Note	\$	\$	\$	\$
Expenditure					
Cost of generating funds					
Costs of generating voluntary income					
- Manpower costs	16	573,995	-	35,417	609,412
- Operating and administrative costs	17	505,426	-	29,720	535,146
Investment expenses		46	-	-	46
Costs of charitable activities					
Manpower costs	16				
- Eldercare		16,919,016	-	268,947	17,187,963
- Children and Youth		1,455,635	-	6,216,197	7,671,832
- Migrant Workers Ministry		589,114	-	-	589,114
- Community and other Services		996,823	-	341	997,164
Other costs					
- Operating and administrative costs	17	9,842,763	-	2,261,259	12,104,022
- Depreciation and amortisation expenses		-	464,783	-	464,783
Governance costs					
- Manpower costs	16	786,156	-	83,261	869,417
- Operating and administrative costs	17	350,804	-	53,578	404,382
Total expenditure		32,019,778	464,783	8,948,720	41,433,281
(Deficit)/surplus for the year					
Transfer between funds		28,872	295,964	(324,836)	-
Net movement in funds and reserves		(127,490)	(168,819)	547,112	250,803
Reconciliation of funds and reserves					
Total funds and reserves brought forward		10,797,389	1,241,135	4,096,571	16,135,095
Total funds and reserves carried forward		10,669,899	1,072,316	4,643,683	16,385,898

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 2026

	Note	Year ended 31 March 2026 \$	Year ended 31 March 2025 \$
Cash flows from operating activities			
Surplus for the year		5,742,357	250,803
Adjustments for:			
Interest income	13	(115,256)	(192,469)
Gain on disposal of property, plant and equipment		(3,636)	-
Write-off of property, plant and equipment		1,134	-
Depreciation of property, plant and equipment	3	322,787	345,778
Amortisation of intangible assets	4	74,563	119,005
Provision/ (reversal) for unutilised leave	8	11,057	(28,774)
Operating cash flows before changes in working capital		6,033,006	494,343
Change in restricted cash		409,515	470,265
Change in trade and other receivables		(1,217,240)	(891,114)
Change in trade and other payables		468,768	(456,890)
Net cash generated from/(used in) operating activities		5,694,049	(383,396)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(947,065)	(295,964)
Proceeds from disposal of property, plant and equipment		3,636	-
Interest received		120,595	212,492
Net cash used in investing activities		(822,834)	(83,472)
Net increase/(decrease) in cash and cash equivalents		4,871,215	(466,868)
Cash and cash equivalents at the beginning of year		14,464,548	14,931,416
Cash and cash equivalents at the end of year	6	19,335,763	14,464,548

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 2026

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 deductions for donations made by them to the Social Fund.

The Social Fund (the “Fund”) operates or provides:

- nursing home;
- day care centre for the elderly;
- residential homes for children and young people at risk;
- ministries to troubled young people;
- fostering agency services;
- food for families;
- counselling services;
- prison support 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.

2(a) Basis of preparation

The financial statements of the Fund 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 Fund’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 Fund’s financial statements in conformity with CAS requires management 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 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.

2(b) Adoption of new and revised standards

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

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

Repair, maintenance and renovation costs for properties not owned by the Fund 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)**

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

Building improvement	30 years
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 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 under construction

Assets under construction are reclassified to the appropriate category of property, plant and equipment when completed and ready for use. An asset under construction is not depreciated as the asset is 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 accumulated amortisation. 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. 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 financial activities when incurred.

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 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.

Taxes

Goods and services tax ("GST")

The Organisation is registered for GST as a single taxable entity. GST is accounted for on Organisation basis and not at the level of the individual Fund or segments. 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; 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.

Leases

As 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

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.

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 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.

Notes to the financial statements for the financial year ended 31 March 2026

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

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; and
- Donations-in-kind are recognised when such donations 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.

(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/or the Fund and is recognised when received; 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.

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 (i) 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. It is also to (ii) support the Centre for Psychological and Counselling Services to strengthen therapeutic and mental health services for vulnerable children and youth. The funding is recognised when expenses are incurred.

(d) Sundry revenue

Sundry revenue is mainly made up of other income that the Fund has not been able to analyse under the main income categories.

2(c) Summary of significant accounting policies (Cont'd)**Income recognition (Cont'd)**Other income

This income mainly comprises government grants under the employment and training 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, 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.

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.

Employee benefitsDefined contribution plan

The Fund (through 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.

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.

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 2026

3 Property, plant and equipment

	Building improvement	Motor vehicles	Equipment and software	Assets under construction	Total
	\$	\$	\$	\$	\$
<u>Cost</u>					
At 1 April 2024	-	1,169,777	2,722,779	-	3,892,556
Additions	-	-	10,866	285,098	295,964
Written off	-	-	(254,317)	-	(254,317)
At 31 March 2025	-	1,169,777	2,479,328	285,098	3,934,203
Additions	432,024	-	379,163	135,879	947,066
Disposal	-	(200,695)	-	-	(200,695)
Written off	-	-	(34,026)	-	(34,026)
Reclassification	168,509	-	116,589	(285,098)	-
At 31 March 2026	600,533	969,082	2,941,054	135,879	4,646,548
<u>Accumulated depreciation</u>					
At 1 April 2024	-	1,157,127	1,784,126	-	2,941,253
Depreciation for the year	-	12,650	333,128	-	345,778
Written off	-	-	(254,317)	-	(254,317)
At 31 March 2025	-	1,169,777	1,862,937	-	3,032,714
Depreciation for the year	8,906	-	313,881	-	322,787
Disposal	-	(200,695)	-	-	(200,695)
Written off	-	-	(32,892)	-	(32,892)
At 31 March 2026	8,906	969,082	2,143,926	-	3,121,914
<u>Net book value</u>					
At 31 March 2026	591,627	-	797,128	135,879	1,524,634
At 31 March 2025	-	-	616,391	285,098	901,489

Assets under construction relate mainly to Automated Ground Vehicle (“AGV”) System MIR 250 Dynamic, which remains under development as at reporting date.

Notes to the financial statements for the financial year ended 31 March 2026

4 Intangible assets

	Computer software \$
Cost	
At 1 April 2024, at 31 March 2025 and 31 March 2026	812,543
Accumulated amortisation	
At 1 April 2024	522,711
Amortisation for the year	119,005
At 31 March 2025	641,716
Amortisation for the year	74,563
At 31 March 2026	716,279
Net book value	
At 31 March 2026	96,264
At 31 March 2025	170,827

5 Trade and other receivables

	31 March 2026 \$	31 March 2025 \$
Programme fees receivable	901,616	702,021
Grant receivables	3,491,244	2,514,050
Interest receivables	18,579	23,918
Accrued receivables	111,461	112,651
Prepayment	52,610	35,887
Deposit	25,002	84
	4,600,512	3,388,611

Programme fees receivables are mainly due from patients of Peacehaven and are generally on 7 to 60 (2025 - 7 to 60) days term. Certain patients programme fees receivables will be set off against the Medifund and FAS (Note 7) upon review and approval by the Organisation's Medifund and FAS committee, respectively.

6 Cash and bank balances

	31 March 2026 \$	31 March 2025 \$
Cash on hand and at bank	6,327,297	5,175,597
Fixed deposits	13,240,000	9,930,000
Cash and bank balances as per statement of financial position	19,567,297	15,105,597
Less: Monies held on behalf of Medifund account (Note 7)	(94,471)	(560,747)
Less: Monies held on behalf of FAS account (Note 7)	(137,063)	(80,302)
Cash and cash equivalents as per statement of cash flows	19,335,763	14,464,548

The bank balance and fixed deposits are held in the name of The Salvation Army, Singapore. For financial reporting purposes, the related net interest income attributable to the Fund is credited to the Fund.

Fixed deposits bear interest rates ranging from 0.9 % to 1.8% (2025 - 2.10% to 2.85%) per annum and have tenures ranging from 2 to 12 months (2025 - 2 to 12 months).

Social Fund

Notes to the financial statements for the financial year ended 31 March 2026

7 Trade and other payables

	31 March 2026 \$	31 March 2025 \$
Trade payables	807,900	658,264
Accruals	718,453	859,604
Deposits received	292,660	275,685
Medifund account [Note (a)]	94,471	560,747
Financial Assistance Scheme ("FAS") account [Note (b)]	137,063	80,302
Other payables	125,133	199,312
Grant received in advance	962,365	35,362
	3,138,045	2,669,276

- (a) 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 (Note 5) from specific patients upon review and approval by the Organisation's Medifund committee.
- (b) 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 (Note 5) from specific patients upon review and approval by the Organisation's FAS committee.

8 Provision for unutilised leave

	31 March 2026 \$	31 March 2025 \$
At 1 April	511,350	540,124
Provision/ (reversal of provision) recognised	11,057	(28,774)
At 31 March	522,407	511,350

The provision for unutilised leave represents the Fund's obligation to pay employees for leave entitlements earned but not yet taken at the reporting date. The provision is recognised based on employees' accumulated leave balances as at the reporting date, at the expected cost of settlement. The provision is classified as a current liability, as employees are entitled to utilise or be compensated for the leave within the twelve months after the reporting period.

9 Asset amortisation funds

	31 March 2026 \$	31 March 2025 \$
At 1 April	1,072,316	1,241,135
Deficit for the year [Note (a)]	(398,484)	(464,783)
Transfer from unrestricted funds (Note 10)	98,968	-
Transfer from restricted funds (Note 11)	848,097	295,964
At 31 March	1,620,897	1,072,316

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

- (a) Deficit for the year represent depreciation of property, plant and equipment, amortisation of intangible assets and write off of property, plant and equipment for the financial year amounting to \$322,787, \$74,563 and \$1,134 (2025 - \$345,778, \$119,005 and \$nil) respectively.

Notes to the financial statements for the financial year ended 31 March 2026

10 Unrestricted funds

	Unrestricted reserve \$	Development reserve \$	Vehicle reserve \$	Programme reserve \$	Centre reserve \$	Total \$
At 1 April 2024	6,442,482	114,813	1,646,800	2,593,294	-	10,797,389
(Deficit)/surplus for the year	(252,141)	-	95,779	-	-	(156,362)
Transfer between unrestricted funds	(812,735)	-	57,600	-	755,135	-
Transfer to restricted funds (Note 11)	(8,114)	-	-	-	-	(8,114)
Transfer from restricted funds (Note 11)	36,986	-	-	-	-	36,986
At 31 March 2025	5,406,478	114,813	1,800,179	2,593,294	755,135	10,669,899
Surplus/(deficit) for the year	3,701,506	-	66,028	(66,482)	30,966	3,732,018
Transfer to asset amortisation funds (Note 9)	(83,324)	-	-	(15,644)	-	(98,968)
Transfer between unrestricted funds	(3,210,339)	-	57,600	-	3,152,739	-
Transfer to restricted funds (Note 11)	(391,176)	-	-	-	-	(391,176)
At 31 March 2026	5,423,145	114,813	1,923,807	2,511,168	3,938,840	13,911,773

(a) Unrestricted reserve

The unrestricted reserve is a general fund of the Fund to be applied for the general purpose of the Fund in support of its objectives.

(b) Development reserve

This development reserve is a designated fund of the Fund set aside for the works of social justice development.

(c) Vehicle reserve

The vehicle reserve is a designated fund of the Fund set aside for the future replacement of the Fund's vehicles.

10 Unrestricted funds (Cont'd)

(d) Programme reserve

The Programme reserve is a designated fund of the Organisation 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 special donations and/or legacy bequests.

The programme reserve comprises of the following reserves:

(i) Education reserve

The education reserve is a designated fund of the Fund 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.

(iii) Infrastructure Improvement reserve

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

(e) Centre reserve

The Centre reserve consists of surplus funds generated by Peacehaven during the year and ringfenced in a designated reserve to meet future operating expenses of Peacehaven.

Notes to the financial statements for the financial year ended 31 March 2026

11 Restricted funds

	Property reserve \$	Education reserve \$	Renovation reserve \$	Programme reserve \$	Total \$
At 1 April 2024	213,858	7,252	-	3,875,461	4,096,571
Surplus/(deficit) for the year	-	-	899,693	(27,745)	871,948
Transfer to asset amortisation fund (Note 9)	-	-	(285,098)	(10,866)	(295,964)
Transfer from unrestricted fund (Note 10)	-	-	-	8,114	8,114
Transfer to unrestricted fund (Note 10)	-	-	-	(36,986)	(36,986)
At 31 March 2025	213,858	7,252	614,595	3,807,978	4,643,683
(Deficit)/surplus for the year	-	-	(1,088)	2,409,911	2,408,823
Transfer to asset amortisation fund (Note 9)	-	-	(565,043)	(283,054)	(848,097)
Transfer from unrestricted fund (Note 10)	-	-	-	391,176	391,176
At 31 March 2026	213,858	7,252	48,464	6,326,011	6,595,585

(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) Education reserve

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

(c) Renovation reserve

This was a donation received during the financial year for Peacehaven and the fund is used specifically for the renovation works at Peacehaven's residential living area as specified by the donor.

11 Restricted funds (Cont'd)

(d) Programme reserve

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

(i) Lien Foundation

This was the balance from the Lien Foundation's donation for the construction 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.

As of the financial year end, the unutilised CST funds amounted to \$2,330,737. The unutilised grants are subject to the following expiry dates:

<u>Expiry date</u>	31 March 2026
	\$
31 March 2027	137,100
31 March 2028	133,806
31 March 2029	2,059,831
	2,330,737

(iii) 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. 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 which allows children under child protection to be temporarily cared for till their more permanent placement in the most appropriate care environment.

11 Restricted funds (Cont'd)(iii) Programme reserve for Children and Youth Programme (Cont'd)(c) Gracehaven Fostering

Gracehaven Fostering is a non-residential based services operating as a 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. The programme has concluded on 31 January 2025.

(e) The Haven

The Haven provides residential care services to protect and/or rehabilitate children and youths. The services involves different types of intervention approaches to reunify children and youths to their families, where possible, and to prepare residents for living independently. The Haven currently serves male children and youths.

(f) Kids-in-Play

Kids-in-Play is a non-residential based services that provides a child-centric approach in supporting families affected by parental incarceration through family bonding programmes, casework management, counselling and practical help or referrals for assistance - with the eventual aim of strengthening the family relationships and enable better reintegration of former inmates with their families and the community upon release.

(g) 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.

(h) Youth Development Centre

Youth Development Centre provides services to enable better future of youth, such as youth mental health resilience building.

(iv) 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.

(v) Youth Mental Health

This was a grant received from Starbucks Foundation Fund, through Myriad USA, 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.

(vi) Financial Assistance reserve

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.

Social Fund

Notes to the financial statements for the financial year ended 31 March 2026

12 Donations

	31 March 2026 \$	31 March 2025 \$
Donations	8,565,052	8,605,457
Donation-in-kind	29,358	73,784
	8,594,410	8,679,241

13 Investment income

	31 March 2026 \$	31 March 2025 \$
Fixed and short-term deposit interest income	115,256	192,469
	115,256	192,469

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.

14 Funding from government

	31 March 2026 \$	31 March 2025 \$
Ministry of Health ("MOH") / Agency for Integrated Care ("AIC")	18,969,978	16,526,433
Community Silver Trust grant	3,822,090	-
Ministry of Social and Family Development ("MSF")	7,295,675	7,039,791
Others	36,611	31,630
	30,124,354	23,597,854

15 Funding from government - others

	31 March 2026 \$	31 March 2025 \$
Senior Employment Credit	34,879	37,427
CPF Transition Offset	6,852	11,457
Enabling Employment Credit Scheme	14,166	25,281
Training Grant	25,935	7,786
Government Paid Leave Scheme	107,381	37,804
Progressive Wage Credit Scheme	125,293	527,835
WSG Career Conversion Programme	-	21,806
WSG Employment Support	34,099	13,564
MOM MSK Programmes	129,988	-
AIC Community Care Day Award	152,060	3,500
NCSS CSM Funding	141,130	-
Others	84,921	2,302
	856,704	688,762

Notes to the financial statements for the financial year ended 31 March 2026

16 Manpower costs

	31 March 2026 \$	31 March 2025 \$
Employees' salaries and bonuses	21,681,468	21,153,641
Central Provident Fund contributions	3,775,678	3,673,798
Other short-term benefits	1,760,380	1,794,027
Contract manpower services	1,631,611	1,303,436
	28,849,137	27,924,902

Presented as:

Costs of generating voluntary income		
- Manpower costs	615,551	609,412
Costs of charitable activities		
- Manpower costs		
- Eldercare	18,224,855	17,187,963
- Children and Youth	7,557,690	7,671,832
- Migrant Workers Ministry	736,003	589,114
- Community and Other Services	997,655	997,164
Governance costs		
- Manpower costs	717,383	869,417
	28,849,137	27,924,902

Included in manpower costs is an amount of \$2,511,471 (2025 - \$3,463,088) allocated by the Organisation for services rendered.

17 Operating and administrative costs

	31 March 2026 \$	31 March 2025 \$
Auditors' remuneration	213,272	193,168
Bank charges	71,985	82,471
Education and pocket money expenses	135,609	109,144
Financial assistance	619,604	498,435
Food expenses	2,102,275	1,896,906
Fixed asset written off	1,134	-
Housekeeping	150,889	107,900
IT expenses	783,941	758,553
Medical supplies	1,685,137	1,504,540
Newsletters	171,010	239,344
Non property insurance	91,281	97,575
Other expenses	128,672	110,168
Other Repair and maintenance	782,358	730,256
Postage and communication	115,960	184,914
Printing and stationery	93,326	79,637
Professional fees	280,197	122,072
Property repair and maintenance	3,266,389	1,247,814
Publicity	286,411	64,283
Rental of building	991,284	2,123,326
Rental of equipment and furnishings	38,018	56,345
Special event	871,334	689,096
Travelling expenses	1,145,417	1,144,248
Utilities	955,874	1,003,355
	14,981,377	13,043,550

Notes to the financial statements for the financial year ended 31 March 2026

17 Operating and administrative costs (Cont'd)

	31 March 2026 \$	31 March 2025 \$
Presented as:		
Costs of generating voluntary income		
- Operating and administrative costs	661,701	535,146
Costs of charitable activities		
- Operating and administrative costs	13,940,179	12,104,022
Governance costs		
- Operating and administrative costs	379,497	404,382
	14,981,377	13,043,550

Included in operating and administrative costs is an amount of \$1,039,514 (2025 - \$637,762) allocated by the Organisation for services rendered.

18 Tax-deductible donation receipts

The Fund enjoys concessionary tax treatment whereby qualifying donors are granted tax deductions for the donations made to the Fund. This status is effective for the period from 1 April 2025 to 31 March 2028 under the Institutions of a Public Character ("IPC") Scheme.

There were no fund-raising appeals held by the Organisation specifically for the benefit of the Fund 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 received:

	31 March 2026 \$	31 March 2025 \$
Total value of tax-deductible donation received	8,360,819	6,422,519

19 Significant related party transactions

- (a) Transaction with other units of the Organisation

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

	31 March 2026 \$	31 March 2025 \$
Cost of generating funds:		
Costs of generating voluntary income:		
<u>Singapore Regional Headquarters</u>		
- Contribution to staff training	-	(1,769)
- Contribution to property maintenance	-	(7,893)
Costs of charitable activities:		
<u>Singapore Regional Headquarters</u>		
- Contribution to laptop purchase	(2,040)	(1,920)
- Contribution to staff training	-	(107,831)
- Contribution to medical fees	(4,080)	(3,840)
- Contribution to property maintenance	(686,792)	(1,895,909)

Notes to the financial statements for the financial year ended 31 March 2026

19 Significant related party transactions (Cont'd)

(b) Compensation of 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 Singapore Regional Business Board, and such amounts are recorded by the Singapore Regional Headquarters, 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 years.

20 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 and is exempted from income tax under the provision of Section 13(1)(zm) of the Income Tax Act 1947.

21 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.

22 Commitments

(a) Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements, are as follows:

	31 March 2026 \$	31 March 2025 \$
<u>Property, plant and equipment:</u>		
- Assets under construction	135,879	243,163

(b) Repairs and maintenance – property, plant and equipment

	31 March 2026 \$	31 March 2025 \$
Contractual obligations for future repairs and maintenance - not recognised as liability	10,900	309,845