

SINGAPORE RED CROSS SOCIETY
(Registration No. S86CC0370E)

**COUNCIL'S STATEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2023

SINGAPORE RED CROSS SOCIETY

COUNCIL'S STATEMENT AND FINANCIAL STATEMENTS

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SINGAPORE RED CROSS SOCIETY

COUNCIL'S STATEMENT

The Council presents their statement to the members together with the audited financial statements of Singapore Red Cross Society (the "Society") for the financial year ended 31 December 2023.

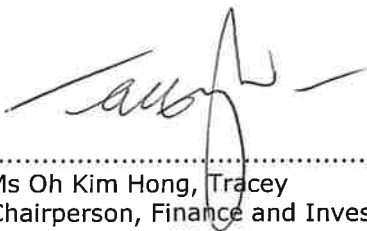
In the opinion of the Council,

- (a) the financial statements set out on pages 5 to 41 are drawn up in accordance with the provision of the Singapore Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of Singapore Red Cross Society (the "Society") as at 31 December 2023 and the financial activities and other comprehensive income, changes in funds and reserves and cash flows of the Society for the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts when they fall due;
- (c) the accounting and other records required by the Charities Act and Regulations to be kept by the Society have been properly kept in accordance with the provisions of the Charities Act and Regulations;
- (d) the use of donation moneys is in accordance with the objectives of the Society as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (e) the Society has complied with Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

ON BEHALF OF THE COUNCIL



.....
Mr Tan Kai Hoe
Chairman, Singapore Red Cross Society



.....
Ms Oh Kim Hong, Tracey
Chairperson, Finance and Investment Committee

31 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE RED CROSS SOCIETY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Red Cross Society (the "Society"), which comprise the statement of financial position as at 31 December 2023, and the statement of financial activities and other comprehensive income, statement of changes in funds and reserves, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 5 to 41.

In our opinion, the accompanying financial statements of the Society are properly drawn up in accordance with the provisions of the Singapore Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 December 2023, and of the financial performance, statement of changes in funds and reserves, and statement of cash flows of the Society 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 Society in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the 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, 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 COUNCIL MEMBERS OF SINGAPORE RED CROSS SOCIETY

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act and Regulations and FRSs, 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, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities include overseeing the Society'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:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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 Society's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (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 Society'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 Society to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF
SINGAPORE RED CROSS SOCIETY

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

- (e) 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 Council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

31 May 2024

SINGAPORE RED CROSS SOCIETY

**STATEMENT OF FINANCIAL POSITION
31 December 2023**

	Note	2023 \$	2022 \$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	24,878,060	23,859,175
Other receivables, deposits and prepayments	7	4,144,927	3,924,805
Debt instruments at fair value through other comprehensive income ("FVTOCI")	10	1,494,762	-
Total current assets		<u>30,517,749</u>	<u>27,783,980</u>
Non-current assets			
Fixed deposits	6	-	4,300,000
Property, plant and equipment	8	9,218,646	2,308,096
Right-of-use assets	9	2,378,848	2,252,863
Debt instruments at fair value through other comprehensive income ("FVTOCI")	10	-	1,477,625
Total non-current assets		<u>11,597,494</u>	<u>10,338,584</u>
Total assets		<u>42,115,243</u>	<u>38,122,564</u>
<u>LIABILITIES, FUNDS AND RESERVES</u>			
Current liabilities			
Other payables and accruals	11	10,384,529	9,959,918
Lease liabilities	12	434,817	348,935
Total current liabilities		<u>10,819,346</u>	<u>10,308,853</u>
Non-current liabilities			
Deferred capital grants	13	323,229	560,830
Lease liabilities	12	420,669	302,216
Total non-current liabilities		<u>743,898</u>	<u>863,046</u>
Funds and reserves			
Unrestricted funds		28,449,985	25,786,068
Restricted funds	14	2,115,002	1,194,722
Investment revaluation reserve	10	(12,988)	(30,125)
Total funds and reserves		<u>30,551,999</u>	<u>26,950,665</u>
Total liabilities, funds and reserves		<u>42,115,243</u>	<u>38,122,564</u>
Net assets of:			
International Relief Funds, held on behalf and managed by Singapore Red Cross Society	15	34,674,678	28,377,613

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2023

	Note	2023 \$	2022 \$
Income			
Voluntary income:			
- General donations		5,754,540	4,534,957
- Donations (Home for the Disabled)		388,258	241,744
- Donations (Transport Aid)		24,509	58,753
- Membership subscriptions		90,868	95,610
Fundraising events		3,883,683	4,171,325
Investment and interest income		425,136	232,056
		<u>10,566,994</u>	<u>9,334,445</u>
Charitable activities			
Training Academy fees		2,611,679	1,720,820
Programme fees		127,408	86,224
Funding from Tote Board		277,765	248,226
Blood Donor Programme funding from Health Science Authority		2,736,360	2,418,324
Home for the Disabled:			
Residents' contribution		9,207	5,855
Grants from Ministry of Social and Family Development, National Council of Social Services and SG Enable		5,558,403	4,627,491
Other grants		5,390	31,416
Government grants:			
Ministry of Education		235,541	121,387
National Council of Social Services		53,954	5,473
Care and Share Fund		80,923	265,202
Community Silver Trust		144,045	212,472
Council for Third Age		44,828	179,308
President's Challenge		42,124	-
Others		100,202	59,028
		<u>12,027,829</u>	<u>9,981,226</u>
Other income			
Programme Support Recovery	18	342,250	438,321
Miscellaneous	19	1,129,467	956,673
Total income		<u><u>24,066,540</u></u>	<u><u>20,710,665</u></u>

SINGAPORE RED CROSS SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME (cont'd)
Year ended 31 December 2023

	Note	2023 \$	2022 \$
Operating expenditure			
Fundraising costs	20	(2,307,975)	(1,709,701)
Charitable activities			
Training Academy		(3,584,097)	(2,159,225)
Community Service – Transport Aid		(1,209,554)	(985,512)
Blood Donor Programme		(2,905,972)	(2,626,304)
Home for the Disabled		(5,186,787)	(4,487,770)
Services and disaster management		(2,469,799)	(2,194,293)
International Services		(1,203,618)	(956,151)
Red Cross Youth		(1,048,587)	(1,017,534)
	22	(17,608,414)	(14,426,789)
Contribution to the International Federation of Red Cross and Red Cross Crescent Societies		(258,136)	(283,873)
Depreciation of right-of-use assets		(298,615)	(431,523)
Gain arising from the derecognition of debt instrument designated at FVTOCI upon maturity		-	11,625
Interest expense		(9,203)	(24,596)
Total operating expenditure		<u>(20,482,343)</u>	<u>(16,864,857)</u>
Surplus for the year	21	3,584,197	3,845,808
Other comprehensive income (loss):			
<i>Items that are reclassified subsequently to profit or loss:</i>			
Change in fair value of debt instruments at FVTOCI		17,137	(103,040)
Other comprehensive income (loss) for the year		17,137	(103,040)
Total comprehensive income for the year		<u>3,601,334</u>	<u>3,742,768</u>

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

STATEMENT OF CHANGES IN FUNDS AND RESERVES
Year ended 31 December 2023

	Unrestricted funds	Restricted funds	Investment revaluation reserve	Total
	\$	\$ (Note 14)	\$	\$
Balance at 1 January 2022	22,539,934	595,048	84,540	23,219,522
<i>Total comprehensive income for the year:</i>				
Surplus (Deficit) for the year	3,869,859	(24,051)	-	3,845,808
Other comprehensive loss for the year	-	-	(103,040)	(103,040)
Total	3,869,859	(24,051)	(103,040)	3,742,768
Cumulative loss on debt instruments at FVTOCI transferred to profit or loss upon disposal	-	-	(11,625)	(11,625)
Transfer from restricted funds to unrestricted fund	4,255	(4,255)	-	-
Transfer from unrestricted fund to restricted funds	(627,980)	627,980	-	-
Total	(623,725)	623,725	(11,625)	(11,625)
Balance at 31 December 2022	25,786,068	1,194,722	(30,125)	26,950,665
<i>Total comprehensive income for the year:</i>				
Surplus (Deficit) for the year	3,474,826	109,371	-	3,584,197
Other comprehensive income for the year	-	-	17,137	17,137
Total	3,474,826	109,371	17,137	3,601,334
Transfer from restricted funds to unrestricted fund	21,806	(21,806)	-	-
Transfer from unrestricted fund to restricted funds	(832,715)	832,715	-	-
Total	(810,909)	810,909	-	-
Balance at 31 December 2023	28,449,985	2,115,002	(12,988)	30,551,999

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

STATEMENT OF CASH FLOWS
31 December 2023

	2023	2022
	\$	\$
Operating activities		
Surplus for the year	3,584,197	3,845,808
Adjustments for:		
Depreciation of property, plant and equipment	822,368	484,584
Depreciation of right-of-use assets	680,113	431,523
Gain arising from the derecognition of debt instrument designated at FVTOCI upon maturity	-	(11,625)
Government grants	(9,279,536)	(8,168,325)
Dividend income	(49,763)	(64,120)
Interest income	(375,373)	(167,936)
Interest expense	42,073	24,596
Property, plant and equipment written off	78,062	-
Operating cash flows before movements in working capital	(4,497,859)	(3,625,495)
Other receivables, deposits and prepayments (Note A)	(195,357)	(714,861)
Other payables and accruals (Note B)	(308,032)	(36,036)
Cash used in operations	(5,001,248)	(4,376,392)
Interest paid	(42,073)	(24,596)
Net cash used in operating activities	(5,043,321)	(4,400,988)
Investing activities		
Proceeds from redemption of debt instrument designated at FVTOCI	-	1,250,000
Upliftment (Placement) of fixed deposits	4,300,000	(4,300,000)
Dividends received	49,763	64,120
Interest received	272,485	21,300
Purchase of property, plant and equipment (Note B)	(7,315,477)	(1,743,580)
Addition to right-of-use asset	-	(183,257)
Net cash flows used in investing activities	(2,693,229)	(4,891,417)
Financing activities		
Government grants received	9,357,198	6,617,677
Repayment of lease liabilities	(601,763)	(363,548)
Net cash from financing activities	8,755,435	6,254,129
Net increase (decrease) in cash and cash equivalents	1,018,885	(3,038,276)
Cash and cash equivalents at beginning of year	23,859,175	26,897,451
Cash and cash equivalents at end of year (Note 6)	24,878,060	23,859,175

Note A: Other receivables, deposits and prepayments at the end of the year included interest receivables of \$102,888 (2022 : \$146,636).

Note B: Other payables and accruals at the end of the year included accruals for the additions of the property, plant and equipment amounting to \$495,503 (2022 : \$Nil).

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

1 GENERAL

The Society (Unique Entity Number S86CC0370E) is registered in the Republic of Singapore with its principal place of operation and registered office at 15 Penang Lane, Red Cross House, Singapore 238486.

The principal objectives of the Society are to provide assistance in relief operations in times of disaster and auxiliary health and welfare services to the sick, the handicapped, the aged and the poor without any distinction on grounds of race, nationality, religion or political opinions, and to furnish voluntary aid to the sick and wounded in times of war and to non-belligerents, prisoners of war and civilian sufferers from the effects of war.

The financial statements of the Society for the year ended 31 December 2023 were authorised for issue by the Board of Council Members on 31 May 2024.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with the provisions of the Charities Act and Regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements are expressed in Singapore dollar.

1.2 ADOPTION OF NEW AND REVISED STANDARDS

On 1 January 2023, the Society has adopted all the new and revised FRS pronouncements that are relevant to its operations. The adoption of these new/revised FRS pronouncements does not result in changes to the Society's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years, except as disclosed below.

Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*

The Society has adopted the amendments to FRS 1 *Presentation of Financial Statements* for the first time in the current year. The amendments change the requirements in FRS 1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in FRS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Society has applied materiality guidance in FRS Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

Management has considered and is of the view that the adoption of the new/revised FRSs and INT FRSs that are issued as at the date of authorisation of these financial statements but effective only in future periods will have no material impact on the financial statements in the period of their initial adoption.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Society takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on the Society's statement of financial position when the Society becomes a party to the contractual provisions of the instruments.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Despite the foregoing, the Society may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Society may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Society may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Debt instruments at FVTOCI

Listed redeemable notes held by the Society are classified as at FVTOCI (Note 10). Fair value is determined in the manner described in Note 4(b)(vi). The listed redeemable notes are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these listed redeemable notes as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these listed redeemable notes had been measured at amortised cost. All other changes in the carrying amount of these listed redeemable notes are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When these listed redeemable notes are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Impairment of financial assets

The Society recognises a loss allowance for expected credit losses ("ECL") on other receivables and investments in debt instruments measured at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For the above financial instruments, the Society recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Society measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Society compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Society considers historical loss rates for each category of debtors and adjusts to reflect current and forward-looking information that is available without undue cost or effort.

The Society presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Society has reasonable and supportable information that demonstrates otherwise.

The Society assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Society regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Society considers that default has occurred when a financial asset is more than 90 days past due unless the Society has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Write-off policy

The Society writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Society's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Society in accordance with the contract and all the cash flows that the Society expects to receive, discounted at the original effective interest rate.

If the Society has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Society measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Society derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Society neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Society recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Society retains substantially all the risks and rewards of ownership of a transferred financial asset, the Society continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Payables and accruals

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, except for short-term payables when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Society derecognises financial liabilities when, and only when, the Society's obligations are discharged, cancelled or have expired.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

LEASES

The Society as lessee

The Society assesses whether a contract is or contains a lease, at inception of the contract. The Society recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Society recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Society uses the incremental borrowing rate specific to the lessee.

The Society's lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Society remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Society incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Society expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Society applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Society has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Society allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Motor vehicles	5 years
Furniture and fittings	5 years
Medical equipment	3 to 5 years
Office equipment	3 to 5 years
Building and renovation	3 to 10 years
Computer system	3 years
Leasehold land	30 years

Construction in progress is stated at cost and is not depreciated. Cost includes direct related expenditure incurred during the period of construction and up to the completion of the construction. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is substantially completed and the asset is ready for its intended use.

Fully depreciated assets which are still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising from disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

DONATED ASSET - Donated asset pertains to donation-in-kind where its value can be estimated with sufficient reliability. This value is the price that the Society estimate that they would have to pay in the open market for an equivalent item or the value that the Society expects to realise the item for. When the value of donation-in-kind cannot be estimated with sufficient reliability or is insignificant in amount, the donation-in-kind would not be recognised as part of donated assets and only income shall be included in the financial period in which the donation-in-kind is sold.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Society reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

INCOME - Income is recognised to the extent that it is probable that the economic benefits will flow to the Society and the income can be reliably measured.

- (i) Donations and income from fund raising projects are recognised as and when the Society's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donation and income from the fund raising project. Donations received in advance for future fund raising projects are deferred and recognised as incoming resources as and when the fund raising projects are held;
- (ii) Grants and subsidies are recognised as income to match the related expenditure;

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

- (iii) Interest income on operating funds is recognised on an accrual basis;
- (iv) All other income including membership subscriptions are recognised over time on an accrual basis;
- (v) Revenue from rendering of services is recognised over time when the services are performed; and
- (vi) Programme Support Recovery income is recognised upon receipt and disbursement of solicited and unsolicited donations for international relief and assistance.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Society will comply with the conditions attached to them and the grants will be received.

Grants for the purchase of depreciable assets are taken to the deferred capital grants upon utilisation of the grants if the assets are capitalised. Deferred capital grants are recognised in the statement of financial activities and other comprehensive income over the periods necessary to match the depreciation of the assets financed by the related grants. On disposal of an item of property, plant and equipment, the balance of the related grants is recognised in the statement of financial activities and other comprehensive income to match the net carrying amount of the property, plant and equipment disposed.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Society with no future related costs are recognised in profit or loss in the period in which they become receivable.

UNRESTRICTED FUNDS - The unrestricted funds are funds which are available to be used for any of the Society's purposes.

RESTRICTED FUND - The restricted funds are funds which are available to be used for specific purposes programs.

INTERNATIONAL RELIEF FUNDS - International relief funds are set up to account for funds held in trust where the Society is not the owner and beneficiary of the funds received from the public. The receipts and expenditure in respect of agency funds are taken directly to the funds accounts and the net assets relating to the funds are shown as a separate line item in the statement of financial position.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Society's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which the Society operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Society's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and other short-term highly liquid assets that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Society's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Society's accounting policies

Management is of the opinion that any instances of application of judgements on the Society's accounting policies are not expected to have a significant effect of the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Society does not have any key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	2023	2022
	\$	\$
Financial assets		
Debt instruments at FVTOCI	1,494,762	1,477,625
Financial assets at amortised cost	<u>28,714,643</u>	<u>27,355,244</u>
Financial liabilities		
Financial liabilities at amortised cost	3,243,860	2,280,940
Lease liabilities	<u>855,486</u>	<u>651,151</u>

(b) Financial risk management policies and objectives

Management monitors and manages the financial risks relating to the operations of the Society to minimise adverse potential effects on financial performance. These risks include market risk (including foreign exchange risk and interest rate risk), investment price risk, credit risk, liquidity risk and fair value risk. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures these risk. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Society transacts mainly in Singapore dollars and is therefore not exposed to any significant foreign currency risk.

(ii) Interest rate risk management

The Society is exposed to interest rate risk as changes in interest rates affect the market value of its investment portfolio. The Society has no significant interest-bearing financial liabilities other than lease liabilities. The incremental borrowing rate applied for lease liabilities is fixed at 4.25% (2022 : 4.25%).

No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's surplus for the year arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(iii) Investment price risk management

Investment price risk arises mainly from uncertainty about the future prices of financial instruments invested by the Society. It represents the potential financial loss the Society might suffer through holding investments in the face of price movements. It is the Society's policy to achieve an appropriate diversification in its investment portfolio in order to mitigate such risk. Further information is disclosed in Note 4b(vi).

(iv) Credit risk management

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Society, as and when they fall due. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of financial year in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

The Society develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Society has a significant concentration of credit risk with a government body representing 37% (2022 : 29%) of the total other receivable, deposits and prepayments of the Society. The majority of the Society's receivables relate to grant receivables from government bodies which are assessed as having low credit risk.

The Society has adopted procedures in monitoring its credit risk. Cash and bank balances are held with reputable institutions and are subject to immaterial credit loss.

The Society does not have any significant credit risk exposure to any single counterparty other than as disclosed above.

(v) Liquidity risk management

Liquidity risk refers to the risk that the Society is unable to pay its creditors due to insufficient funds. The Society is primarily funded via grants and donations and it attempts to ensure sufficient liquidity at all times through efficient cash management. All financial assets and financial liabilities are repayable on demand or due within 1 year from the end of the reporting period, except for debt instruments at FVTOCI and fixed deposits classified as non-current assets and lease liabilities.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments, other than lease liabilities as disclosed in Note 12 to the financial statements.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The Society determines fair values of financial assets in the following manner:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Sensitivity analysis (Note 1)	
	2023	2022			2023	2022
	Assets	Assets			\$	\$
	\$	\$			\$	\$
1) Quoted debt instruments (Note 10)	1,494,762	1,477,625	Level 1 (2022 : Level 1)	Quoted bid prices in an active market.	149,476	147,762

Note 1: If the quoted prices are 10% higher/lower while all the other variables were held constant, the Society's investment revaluation reserve would increase/decrease as detailed in the above table.

There were no transfers between the different levels of the fair value hierarchy in the period.

Other than as disclosed in the above table, the Society had no other financial assets or liabilities carried at fair value.

(c) Capital management policies and objectives

The Society manages its capital to ensure it will be able to continue as a going concern. The capital structure of the Society consists only of funds and reserves. Management reviews the capital structure on a regular basis. The Society's overall strategy remains unchanged from 2022.

5 COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of a member of Council during the year are as follows:

	2023	2022
	\$	\$
Short-term benefits	256,378	200,633
Post-employment benefits	11,492	10,202
	<u>267,870</u>	<u>210,835</u>

The Society paid for the following expenses incurred by Council members for official events and meetings.

	2023	2022
	\$	\$
Travel and meeting expenses	<u>13,820</u>	<u>9,059</u>
Number of office bearers	<u>4</u>	<u>1</u>

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

6 CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Fixed deposits	8,739,750	12,500,000
Cash at bank balances	16,138,310	15,659,175
Total	24,878,060	28,159,175
Less: Non-current fixed deposits	-	(4,300,000)
Cash and cash equivalent in statement of cash flows	<u>24,878,060</u>	<u>23,859,175</u>
Analysed as:		
Current	24,878,060	23,859,175
Non-current	-	<u>4,300,000</u>

The fixed deposits bear interest ranging from 2.95% to 3.84% (2022: 2.50% to 3.25%) per annum and have maturity period of 8 months (2022: 9 to 24 months).

7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	\$	\$
Blood Donor Programme subsidy receivable from Health Sciences Authority	876,360	628,323
Grants/Funding receivable	1,320,548	1,707,154
Deposits	233,141	226,980
Prepayments	308,344	368,290
Interest receivable	249,524	146,636
Wages Credit Scheme receivable	319,328	181,589
Training Academy fees and Transport Aid fees receivable	814,443	645,734
Others	23,239	20,099
	<u>4,144,927</u>	<u>3,924,805</u>

Receivables are not past due and not impaired.

SINGAPORE RED CROSS SOCIETY

**NOTES TO FINANCIAL STATEMENTS
31 December 2023**

8 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Furniture and fittings	Medical equipment	Office equipment	Building and renovation	Computer system	Construction in progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost:								
At 1 January 2022	1,957,477	374,112	1,056,735	898,464	2,145,545	897,799	-	7,330,132
Additions	-	-	71,108	335,083	41,515	56,077	1,239,797	1,743,580
Written off	(67,769)	-	(1,487)	(66,978)	(1,344,062)	(1,100)	-	(1,481,396)
At 31 December 2022	1,889,708	374,112	1,126,356	1,166,569	842,998	952,776	1,239,797	7,592,316
Additions	-	19,440	207,159	100,567	7,211,268	152,960	119,586	7,810,980
Reclassification	-	-	-	-	872,825	-	(872,825)	-
Written off	-	-	-	(181,217)	-	-	(78,062)	(259,279)
At 31 December 2023	1,889,708	393,552	1,333,515	1,085,919	8,927,091	1,105,736	408,496	15,144,017
Accumulated depreciation:								
At 1 January 2022	1,560,847	371,648	731,132	867,752	2,044,028	705,625	-	6,281,032
Depreciation for the year	125,612	1,043	131,390	46,857	49,301	130,381	-	484,584
Written off	(67,769)	-	(1,487)	(66,978)	(1,344,062)	(1,100)	-	(1,481,396)
At 31 December 2022	1,618,690	372,691	861,035	847,631	749,267	834,906	-	5,284,220
Depreciation for the year	106,676	3,635	153,935	129,995	319,261	108,866	-	822,368
Written off	-	-	-	(181,217)	-	-	-	(181,217)
At 31 December 2023	1,725,366	376,326	1,014,970	796,409	1,068,528	943,772	-	5,925,371
Carrying amount:								
At 31 December 2023	164,342	17,226	318,545	289,510	7,858,563	161,964	408,496	9,218,646
At 31 December 2022	271,018	1,421	265,321	318,938	93,731	117,870	1,239,797	2,308,096

In addition to the above property, plant and equipment, the Society occupies the building, Red Cross House, situated at 15 Penang Lane, with lease term of 30 years commencing from 23 March 2016, on a rent-free basis till the end of the lease term. The building has been gazetted as a conservation building and the rent-free arrangement is expected to continue beyond the lease term until further notice.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

9 RIGHT-OF-USE ASSETS

The Society lease land, office space and computer equipment with lease term of 30, 10 and 5 years, respectively.

	Leasehold land	Office space	Computer equipment	Total
	\$	\$	\$	\$
Cost:				
At 1 January 2022	1,841,093	382,274	122,910	2,346,277
Additions	183,257	710,792	26,563	920,612
Disposals	-	(140,174)	(7,376)	(147,550)
At 31 December 2022	2,024,350	952,892	142,097	3,119,339
Additions	-	806,098	-	806,098
Disposals	-	(528,579)	-	(528,579)
At 31 December 2023	2,024,350	1,230,411	142,097	3,396,858
Accumulated depreciation:				
At 1 January 2022	348,757	174,032	29,854	552,643
Depreciation for the year	63,414	339,138	28,971	431,523
Adjustment	-	29,860	-	29,860
Disposals	-	(140,174)	(7,376)	(147,550)
At 31 December 2022	412,171	402,856	51,449	866,476
Depreciation for the year	69,545	582,149	28,419	680,113
Disposals	-	(528,579)	-	(528,579)
At 31 December 2023	481,716	456,426	79,868	1,018,010
Carrying amount:				
At 31 December 2023	1,542,634	773,985	62,229	2,378,848
At 31 December 2022	1,612,179	550,036	90,648	2,252,863

10 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
	\$	\$
Quoted debt instruments at FVTOCI:		
At beginning of the year	1,477,625	2,830,665
Redemption during the year	-	(1,250,000)
Remeasurement of fair value	17,137	(103,040)
At end of the year	1,494,762	1,477,625
Current	1,494,762	-
Non-current	-	1,477,625

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

10 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (cont'd)

The investments in debt instruments have interest rates ranging from 2.51% to 3.48% (2022 : 2.51% to 3.48%) per annum and have maturity date in 2024 (2022 : 2023 to 2024).

These bonds are held by the Society within a business model whose objective is both to collect contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these financial assets. Accordingly, these are classified as at FVTOCI.

For purpose of impairment assessment, management has assessed the credit risk to be low and there has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

11 OTHER PAYABLES AND ACCRUALS

	2023	2022
	\$	\$
Accrued operating expenses	2,925,163	2,028,472
Grants received in advance from Lee Foundation	195,112	246,181
Grants received in advance for Specific Projects	414,765	523,722
Employee benefits	316,637	250,408
Residents' deposits from Home for the Disabled	2,060	2,060
Grants received in advance from Community Silver Trust and Care and Share Fund	410,528	197,583
Grants received in advance for purchase of vehicles	95,839	95,839
Grants received in advance for Community Services	1,026,889	875,547
Grants received in advance for President's Challenge	32,876	-
Donation received in advance for COLE Programme	-	301,632
Donations received in advance for COVID-19 Singapore Fund	3,033,614	3,240,072
Donations received in advance for Capability and Resilience Development Fund (CRDF)	1,732,644	2,000,000
Donations received in advance for Center of Excellence for Pandemic Preparedness	198,402	198,402
	<u>10,384,529</u>	<u>9,959,918</u>

The COVID-19 Singapore fund has raised \$8,473,633 since its inception in 2020. From the fund, \$3,440,019 (2022 : \$3,233,431) was utilised to date, mostly on care packages for the elderly, migrant workers and infant care packages for needy families. In 2022, the Council approved a transfer of \$2,000,000 from the fund to set up the Capability and Resilience Development Fund. The Capability and Resilience Development Fund was set up with a goal of accelerating the development of the Society's local programmes. As of 31 December 2023, \$3,033,614 (2022 : \$3,240,072) remains in the fund and will be utilised towards COVID-related relief for the vulnerable in Singapore in the coming and future years.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

11 OTHER PAYABLES AND ACCRUALS (cont'd)

The movement of grants received in advance from Community Silver Trust and Care and Share Fund are as follow:

	Community Silver Trust	Care and Share Fund	Total
	\$	\$	\$
As at 1 January 2022	501,361	-	501,361
Grants received during the year	-	137,386	137,386
Grants returned during the year	(58,130)	-	(58,130)
Transfer to statement of financial activities and other comprehensive income	(158,918)	(125,226)	(284,144)
Transfer to deferred capital grant	(86,730)	(12,160)	(98,890)
Balance at 31 December 2022	197,583	-	197,583
Grants received during the year	340,653	-	340,653
Grants returned during the year	(29,692)	-	(29,692)
Transfer to statement of financial activities and other comprehensive income	(98,016)	-	(98,016)
Balance at 31 December 2023	410,528	-	410,528

12 LEASE LIABILITIES (The Society as lessee)

	2023	2022
	\$	\$
Maturity analysis:		
Year 1	488,334	386,143
Year 2	338,210	153,194
Year 3	51,751	80,952
Year 4	16,783	31,055
Year 5	-	16,783
	895,078	668,127
Less: Unearned interest	(39,592)	(16,976)
	855,486	651,151
Analysed as:		
Current	434,817	348,935
Non-current	420,669	302,216
	855,486	651,151

The Society does not face a significant liquidity risk with regard to its lease liabilities.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

12 LEASE LIABILITIES (The Society as lessee) (cont'd)

The table below details changes in the Society's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Society's statement of cash flows as cash flows from financing activities.

	<u>Non-cash changes</u>				
	1 January 2023	New lease liabilities	Financing cash flows	Adjustment	31 December 2023
	\$	\$	\$	\$	\$
Lease liabilities	651,151	806,098	(601,763)	-	855,486

	<u>Non-cash changes</u>				
	1 January 2022	New lease liabilities	Financing cash flows	Adjustment	31 December 2022
	\$	\$	\$	\$	\$
Lease liabilities	307,204	737,355	(363,548)	(29,860)	651,151

13 DEFERRED CAPITAL GRANTS

	2023	2022
	\$	\$
At the beginning of financial year	560,830	627,899
Transfer from grants received in advance	48,757	265,318
Transfer to statement of financial activities and other comprehensive income		
- Community Silver Trust	(46,029)	(53,554)
- Care and Share Fund	(80,923)	(139,976)
- Others	(159,406)	(138,857)
	(286,358)	(332,387)
At the end of the financial year	323,229	560,830

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
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14 RESTRICTED FUNDS

The fund comprises the cumulative operating surplus related to the operations of Home for the Disabled and Transport Aid.

	Home for the disabled	Transport aid	Total
	\$	\$	\$
Operating surplus at 1 January 2022	595,048	-	595,048
Surplus (Deficit) for the year	602,309	(626,360)	(24,051)
Transfer from restricted funds to unrestricted fund	(2,635)	(1,620)	(4,255)
Transfer from unrestricted fund to restricted funds	-	627,980	627,980
	599,674	-	599,674
Balance as at 31 December 2022	1,194,722	-	1,194,722
Surplus (Deficit) for the year	939,775	(830,404)	109,371
Transfer from restricted funds to unrestricted fund	(19,495)	(2,311)	(21,806)
Transfer from unrestricted fund to restricted funds	-	832,715	832,715
	920,280	-	920,280
Balance at 31 December 2023	2,115,002	-	2,115,002

15 INTERNATIONAL RELIEF FUNDS ("IRF")

The Society receives donations from the public in response to international public appeals for relief efforts in disaster and crisis-stricken countries. The funds received are in the custody of the Society and are disbursed to the International Federation of Red Cross and Red Crescent Societies ("IFRC"), International Committee of the Red Cross ("ICRC") or national societies of affected countries for specific relief cause and development work specified in the public appeal. These are not reflected in the statement of financial position and statement of financial activities and other comprehensive income of the Society. The Society had set up the Committee on Humanitarian Assistance and International Response ("CHAIR") to administer the IRF.

	2023	2022
	\$	\$
Represented by:		
- Fixed deposits	4,956,000	18,500,000
- Cash at bank and in hand	29,650,375	9,688,486
- Interest receivable	68,303	189,127
	<u>34,674,678</u>	<u>28,377,613</u>

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

Designated country/disaster	At beginning of the year	Collections	Disbursements	Interest earned	Programme Support Recovery	Other expenditures *	Transfer to DREF	At end of the year
	\$	\$	\$	\$	\$	\$	\$	\$
Miscellaneous Funds	1,664,263	20,574	(195,974)	3,418	(4,537)	(8,100)	(165,154)	1,314,490
Indonesia Relief Fund	46,642	200	(15,489)	-	(316)	-	-	31,037
China Earthquake Relief Fund	2,638,406	2,120	-	45,429	(64)	(1,787)	-	2,684,104
Myanmar Cyclone Relief Fund	407,602	-	(226)	2,131	(5)	-	-	409,502
Japan Disaster Relief Fund	3,173,952	-	(3,713)	44,119	(74)	-	-	3,214,284
Haiyan Relief Fund	910,671	-	(6,532)	15,735	(131)	-	-	919,743
Malaysian Flood Relief Fund	673,763	200	(14,722)	9,883	(300)	(7,781)	-	661,043
Cyclone Pam Relief Fund	34,193	-	-	-	-	-	(34,193)	-
Myanmar Floods Relief Fund	268,997	-	-	-	-	-	(123,146)	145,851
South India Floods 2015	193,378	-	-	3,357	-	-	-	196,735
Nepal Earthquake Relief Fund	1,571,847	1,438	(110,496)	16,406	(2,253)	(33,368)	-	1,443,574
Japan Earthquake	100,762	-	-	-	-	-	-	100,762
Ecuador Earthquake	29,529	150	-	-	(5)	-	(29,529)	145
Tidal Waves Asia Fund	765,430	-	(8,402)	10,531	(168)	-	-	767,391
Rakhine Relief Fund	52,902	-	-	-	-	-	(52,902)	-
Sri Lanka Floods	105,462	-	-	-	-	-	(105,462)	-
Laos Floods	120,257	-	(55,044)	-	(1,101)	-	-	64,112
Lombok Earthquake	195,028	-	-	-	-	-	(64,960)	130,068
South India Floods 2018	304,330	1,250	-	324	(38)	-	-	305,866
Sulawesi Earthquake	1,508,662	-	-	18,194	-	-	-	1,526,856
Sunda Strait Tsunami	301,932	-	-	-	-	-	(301,932)	-
Coronavirus 19 - China	1,635,052	120	(93,204)	257	(1,359)	(5,870)	-	1,534,996
Australia Bush Fires 2021	195,562	-	-	851	-	-	-	196,413
Beirut Explosion 2020	324,685	9,398	(45,568)	4,291	(1,192)	-	-	291,614
SEA Flood 2020	152,682	-	(3,239)	2,069	(65)	-	-	151,447

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2023

15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

Designated country/disaster	At beginning of the year	Collections	Disbursements	Interest earned	Programme Support Recovery	Other expenditures *	Transfer to DREF	At end of the year
	\$	\$	\$	\$	\$	\$	\$	\$
India COVID 2019 Response	1,733,445	-	(41,020)	12,600	(820)	(16,347)	-	1,687,858
Afghanistan Relief Fund	7,990	-	-	-	-	-	-	7,990
Gaza Relief Fund	248,590	20	(245,203)	2,480	(1)	-	-	5,886
Covid 19 - International	611,705	-	(46,101)	9,140	(922)	(95,338)	-	478,484
Haiti Earthquake Relief Fund	53,290	-	-	914	-	-	-	54,204
Afghanistan Humanitarian Relief Fund	4,822	-	-	-	-	-	-	4,822
Tonga Volcanic Eruption 2022	138,050	-	-	2,011	-	-	-	140,061
Ukraine Crisis 2022	3,120,460	104,518	(783,273)	42,538	(18,801)	(53,783)	-	2,411,659
Sri Lanka Economic Crisis 2022	305,969	250	(84,526)	4,070	(1,698)	(23,481)	-	200,584
Afghanistan Earthquake 2022	434,255	1,128	(9,676)	4,417	(227)	-	-	429,897
Pakistan Flood 2022	1,006,108	121,522	(165,501)	7,019	(6,956)	(41,062)	-	921,130
Indonesia West Java EQ 2022	208,487	1,059	(37,291)	3,013	(778)	(22,794)	-	151,696
Turkey and Syria EQ 2023	-	8,686,947	(1,690,340)	128,401	(228,225)	(82,504)	-	6,814,279
Myanmar Cyclone Mocha May 2023	-	30,553	(1,169)	188	(1,921)	-	-	27,651
Morocco Earthquake Sep 2023	-	537,412	(77,208)	3,255	(17,667)	(11,397)	-	434,395
Afghanistan Earthquake Oct 2023	-	46,747	(448)	328	(1,411)	-	-	45,216
Middle East Crisis Oct 2023	-	1,349,271	(89,557)	8,911	(42,269)	(38,279)	-	1,188,077
Disaster Response Emergency Fund	2,202,893	-	(441,920)	44,808	(8,838)	(35,857)	637,090	2,398,176
Humanitarian Response Fund	925,560	900	(4,183)	20,226	(111)	-	240,188	1,182,580
	<u>28,377,613</u>	<u>10,915,777</u>	<u>(4,270,025)</u>	<u>471,314</u>	<u>(342,253)</u>	<u>(477,748)</u>	<u>-</u>	<u>34,674,678</u>

* Other expenditures comprise of the recharge of staff cost (Note 19).

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

Miscellaneous funds - These balances were either:

- (i) Residual amounts or donations made after the planned relief efforts had been completed; or
- (ii) Donations made for specific countries for which the Society had not made any appeals.

Tidal Waves Asia Fund ("TWAF") - The Society had set up the Tsunami Reconstruction Facilitation Committee ("TRFC") to administer the fund. This fund is used to help victims affected by the earthquake and tsunami which occurred on 26 December 2004. To date, the TRFC had approved funding for projects initiated by the Society, joint projects with the government and corporate sector, and projects by Singapore-registered Social Service Agencies and NGOs. The Society continues to work with the various parties in Indonesia, Maldives and Sri Lanka, in projects to enhance education and health facilities.

China Earthquake Relief Fund - The Society has committed to support projects in partnership with the Red Cross Society of China and the Sichuan Province Foundation of Poverty Alleviation in infrastructure and community projects.

Myanmar Cyclone Relief Fund - The Society is working together with the Myanmar Red Cross Society (MRCS) in identifying humanitarian projects including the provision of digital equipment and information sharing projects. In view of the COVID-19 pandemic, \$50,000 was also disbursed to MRCS for the purchase of PPEs and hygiene kits which were distributed to frontliners such as volunteers and those working in the healthcare sector.

Japan Disaster Relief Fund - Most of the projects committed by the Society have been completed, with funds fully disbursed to the partners. Funds have been committed to support a scholarship programme for college students from low income families in Rikuzentakata City. When travel restrictions are lifted, the Society also plans to use the funds for exchanges between the students in the scholarship programme and the Red Cross Youth Chapters. The fund has also been utilised to purchase PPEs for the Japanese Red Cross Society (JRCS) during the COVID-19 outbreak in 2021.

Haiyan Relief Fund - The Society disbursed funds to various implementing partners including Philippine Red Cross (PRC), IFRC and ICRC. Acute phase efforts are completed, reconstruction efforts have been ongoing with partners from the Red Cross Movement and other credible local NGOs such as ASSISI Development Foundation and REACT Bantayan. The fund was also used to purchase first aid kits for the communities benefiting from the Haiyan rebuilding projects, and purchase PPEs for PRC and local NGO, REACT Bantayan during the COVID-19 outbreak in 2021.

South India Floods 2015 - The Society will work with the Indian Red Cross Society (IRCS) on recovery projects, focusing on schools and livelihoods of the affected communities by the South India Floods in 2015. The fund has been committed to support medical activities of the IRCS, Tamil Nadu Branch in the slum areas of Tamil Nadu. During the COVID-19 outbreak in 2021, the fund was also utilised to purchase one unit of an Automated Blood Collection Machine which can be used to collect the plasma from recovered COVID-19 patients. The Society will continue to work with IRCS to follow up with medical missions for the slum communities.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

Nepal Earthquake Relief Fund - The Society has identified over 50 community facilities to be rebuilt together with partners including Praramva, Himalayan Aid, Rolwaling Sagag Choling Monastery, Compassionate Hands for Nepal, Living Hope for Nepal, Touch Community, Operation Hope Foundation, HANDs, D2N, Nepal Red Cross. Majority of these projects have been completed. Funds will also be used to improve on or refurbish facilities that were previously funded by SRC, and also to organise peacetime missions to support vulnerable communities living in the earthquake affected areas.

South India Floods 2018 - The Society is working closely with the Indian Red Cross Society (IRCS) to deliver critical relief supplies to areas affected by torrential rain and monsoon floods in India in 2018. Community projects that focus on WASH, education and livelihood have been identified and funds will be committed to support these programmes.

Sulawesi Earthquake - The Society is working closely with the Indonesian Red Cross and closely monitoring the situation across four affected cities and regencies: Palu city, Donggala, Sigi and Parigi Mouton to conduct ground assessments and to support the Palang Merah Indonesia ("PMI" - Indonesian Red Cross) to distribute relief supplies to displaced families. The Society is also working closely with NGOs like HAND to support a mobile kitchen which can be used to provide food in times of disasters.

Australia Bush Fires - In response to the widespread bushfires in Australia in January 2020, the Singapore Red Cross (SRC) launched a public appeal for donations, and in the first instance pledged \$50,000 to support the relief and recovery operations of the Australian Red Cross (ARC). Subsequently, an additional \$450,000 was committed to support the ARC's recovery programme which includes livelihood support, psychosocial support, infrastructure repair support, emergency and re-establishment grants for those whose homes were destroyed, residence repair grants, bereavement payments for next-of-kin, and injury grants for people injured during the fires. The Society will continue to work with ARC to identify suitable programmes that will benefit the communities affected by the bushfires.

Philippines Taal Volcano - In response to the eruption of Taal Volcano in January 2020, the Singapore Red Cross (SRC) launched a public appeal for donations, and in the first instance extended US\$50,000 towards the humanitarian relief efforts of the Philippine Red Cross (PRC). Funds will be committed to support a shelter project that would benefit 33 families whose homes were destroyed by the volcanic eruption.

Beirut Explosion 2020 - In August 2020, the Singapore Red Cross (SRC) made an initial contribution of \$50,000 to support the Lebanese Red Cross (LRC) in providing emergency response and medical support to those affected by the devastating explosions in Beirut. A public fundraising appeal was also launched at the same time and SRC is working closely with LRC to provide support for its health / medical related activities for those affected by the blast. A recovery project is also ongoing to support LRC's Emergency Medical Service with the necessary medical equipment and ambulance maintenance. The Society will continue to work with LRC to identify projects that would strengthen the capacity of communities in responding to such a crisis.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

SEA Flood 2020 - In response to the storm surges and torrential floods that affected communities in Southeast Asia, the Singapore Red Cross (SRC) launched a public fundraising appeal to aid disaster relief and recovery operations in countries that were affected (Cambodia, Laos and Vietnam). Additionally, SRC also contributed US\$75,000 each to the Cambodian Red Cross, Lao Red Cross and Viet Nam Red Cross to support their relief and recovery operations. SRC will continue to work with these National Societies to support WASH (Water, Sanitation and Hygiene) supplies, such as water filtration systems, water tanks, sanitation systems, hygiene kits for displaced and vulnerable persons.

Indonesia EQ & Flood 2021 - In response to the devastating earthquake that struck the western coast of Sulawesi island in Indonesia on 15 January 2021, and the ongoing catastrophic floods in South Kalimantan, the Singapore Red Cross (SRC) committed \$150,000 at the first instance to support relief and recovery operations by the Palang Merah Indonesia ("PMI" - Indonesian Red Cross) towards both disasters. The aid was channelled towards the purchase of food supplies and relief items, such as blankets, mattresses, hygiene parcels, family kits, tarpaulins, clean water, ready meals etc. Funds raised through the public appeal will be used to support WASH and health recovery programmes in the areas devastated by the disasters.

India COVID-19 Response - A public appeal was launched on 28 April 2021 to raise funds to procure and deliver urgently needed oxygen supplies and medical equipment to India where there was a surge in COVID-19 cases and the healthcare system was immensely stretched. Funds raised through the appeal were used to procure and deliver oxygen cylinders, oxygen concentrators, ventilators, nasal cannulas, PPEs and other medical equipment to states in India with high numbers of COVID-19 infections. SRC will continue to support the Indian Red Cross Society in its recovery programmes (Health and Livelihood) for communities affected by the ongoing pandemic. Funds raised will also be used for any pandemic preparedness programmes with the IRCS.

Gaza Relief Fund 2021 - In response to the conflict, and rapidly deteriorating humanitarian situation in Gaza and the West Bank, the Singapore Red Cross (SRC) launched a public appeal to support the affected and vulnerable communities in the region. The Singapore Government has donated US\$100,000 as seed money for the appeal. Working closely with the International Federation of Red Cross Red and Crescent Societies (IFRC) and the Red Cross Red Crescent Movement Partners, the aid has been channelled towards emergency medical equipment and supplies, as well as food and non-food relief items that was distributed in displaced shelters for affected communities. The fund was also used for the immediate relief response for civilians in Gaza affected by the ongoing conflict in 2023.

COVID-19 International Response - The Singapore Red Cross (SRC) launched a public appeal to deliver assistance and support overseas communities, affected or at risk of being affected by the ongoing COVID-19 outbreak. Funds raised from the appeal have been used to purchase and deliver oxygen supplies, PPEs and other medical supplies to more than 20 countries adversely affected by the pandemic. SRC will continue to work with National Societies and humanitarian organisations to provide medical, livelihood and food assistance to vulnerable communities in the midst of the pandemic. The funds will also be used for Pandemic Preparedness activities for communities and responders.

Haiti Earthquake Relief Fund 2021 - In response to the devastation caused by the 7.2-magnitude earthquake that struck Haiti on 14 August 2021, the Singapore Red Cross (SRC) launched a public appeal to support the affected and vulnerable communities. Working closely with the International Federation of Red Cross Red and Crescent Societies (IFRC) and the Red Cross Red Crescent Movement Partners, the aid has been channelled towards emergency healthcare, first-aid for the injured, food assistance and shelter for those who have lost their homes after the earthquake.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS

31 December 2023

15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

Malaysia Flood 2021 - In response to the floods in Malaysia, the Singapore Red Cross (SRC) has pledged US\$50,000 to the Malaysian Red Crescent Society (MRCS), in support of their ongoing relief efforts. SRC also launched a public appeal, where funds raised would go towards the relief and recovery of affected communities, with a focus on emergency healthcare, first aid assistance and distribution of hygiene kits, shelter tool kits, tarpaulins, hot meals, clothes, mats, blankets, surgical masks to evacuation centres. The Society has also been working with the MRCS on flood preparedness activities which include joint drone training and operations for flood surveillance. The funds have also been used to respond to communities affected by the floods in 2023.

Philippines Typhoon 2021 - In response to Typhoon Rai in the Philippines, the Singapore Red Cross (SRC) has pledged US\$50,000 to the Philippine Red Cross, in support of their ongoing relief efforts. SRC also launched a public appeal, where funds raised would go towards the relief and recovery of affected communities, with a focus on emergency healthcare, first aid assistance and distribution of hygiene kits, shelter tool kits, tarpaulins, hot meals, clothes, mats, blankets, surgical masks to evacuation centres. Funds raised will also be channelled to WASH programmes to provide affected communities with access to clean water, and the provision of medical equipment for hospitals.

Tonga Volcanic Eruption 2022 - In response to the massive volcanic eruption and resultant tsunami that struck Tonga last Saturday, the Singapore Red Cross (SRC) has pledged \$50,000 in humanitarian aid towards the emergency response by the Red Cross and Red Crescent Movement, led by Tonga Red Cross. The funds raised will go towards relief items including food, water, hygiene and shelter and other disaster relief and recovery operations.

Ukraine Crisis 2022 - In response to the outbreak of International Armed Conflict in Ukraine, the Singapore Red Cross (SRC) is working closely with more than 20 different partners on the ground, including the Ukrainian Red Cross Society, the International Federation of Red Cross and Red Crescent Societies, and the International Committee of the Red Cross to provide assistance in the areas of relief distribution, psychosocial support, water and sanitation, shelter, medical and healthcare, and capacity building. The Society will continue to work with these organisations to support vulnerable groups and displaced communities.

Sri Lanka Economic Crisis 2022 - In response to the economic crisis in Sri Lanka leading to widespread resource shortages in the country, the Singapore Red Cross (SRC) has committed \$100,000 to the Sri Lankan Red Cross Society for urgently-needed medical supplies and other basic necessities in aid of vulnerable communities in the country. The funds raised have been used to procure and deliver urgently needed medical drugs, distribute relief items consisting of daily necessities, support livelihood recovery programs, and support school children with their necessities. The funds have also been utilised to support vulnerable communities through peacetime missions. The Society will continue to work with partners on the ground to support the needs and livelihoods of affected communities.

Afghanistan Earthquake 2022 - In response to the earthquake in Afghanistan, the Singapore Red Cross (SRC) committed \$50,000 towards the emergency response by the Red Cross and Red Crescent movement, led by the Afghan Red Crescent Society (ARCS) and supported by the International Federation of Red Cross and Red Crescent Societies (IFRC). Together with the ARCS and IFRC, the funds will be used to support survivors and affected communities in the areas of food and non-food items, emergency shelter, emergency trauma care, medical and psychosocial support, the restoration of the livelihoods of vulnerable communities, as well as water, sanitation and hygiene.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2023

15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

Pakistan Flood 2022 - In response to the ravaging floods in Pakistan caused by monsoon rains, the Singapore Red Cross (SRC) committed \$50,000 to the Pakistan Red Crescent Society (PRCS). SRC is working together with partners on the ground, including PRCS, in the distribution of food and non-food items, winterisation kits, medical and healthcare items. SRC is also working with partners to support projects in the areas of water and sanitation, shelter, and livelihood recovery programs. The Society will continue to work with partners on the ground to support the needs and livelihoods of affected communities.

Indonesia West Java Earthquake 2022 - In response to the earthquake in West Java, Indonesia, the Singapore Red Cross (SRC) committed US\$50,000 to the Indonesian Red Cross to support survivors and affected communities in the areas of food and non-food items; emergency shelter; water and sanitation solutions; hygiene items, along with health and first aid. The Society is also working with local partners to support livelihood programmes for youth from underprivileged families.

Turkey and Syria EQ 2023 - In response to the earthquake, the Singapore Red Cross (SRC) launched a public appeal to raise funds for those affected by the earthquake, and in the first instance committed US\$100,000 to the Turkish Red Crescent Society (TRCS) and Syrian Arab Red Crescent (SARC) for their immediate relief efforts. Funds have also been committed for various projects with both Red Cross Red Crescent Partners and other local partners, including community building, healthcare, psychosocial support and educational projects. The Society will continue to work with our partners to identify more projects that would benefit vulnerable groups in the earthquake affected areas.

Myanmar Cyclone Mocha May 2023 - In response to the devastation caused by Cyclone Mocha in Myanmar, the Singapore Red Cross (SRC) has pledged \$50,000 in humanitarian aid to support the immediate relief efforts by Myanmar Red Cross Society (MRCS). SRC has also launched a public fundraising appeal for recovery operations in Myanmar. Funds will also be used to support the needs of displaced communities in the cyclone hit areas.

Morocco Earthquake Sep 2023 - In response to the recent earthquake in central Morocco, the Singapore Red Cross (SRC) has committed US\$50,000 in humanitarian aid to directly support ongoing relief efforts by the Moroccan Red Crescent. SRC has also launched a public fundraising appeal for recovery operations in Morocco. The Society is in the midst of identifying potential partners for recovery and rebuilding projects in Morocco.

Afghanistan Earthquake Oct 2023 - In response to the recent earthquake in Afghanistan, the Singapore Red Cross (SRC) has pledged US\$50,000 in humanitarian aid to directly support ongoing relief efforts led by Red Cross Red Crescent partners on the ground, including the Afghan Red Crescent Society (ARCS) and the International Federation of Red Cross and Red Crescent Societies (IFRC). A public appeal was also launched to raise funds for those affected by the earthquake. The Society has been working closely with ARCS and IFRC to finalise several projects that would cover areas such as Health and Livelihood.

Middle East Crisis Oct 2023 - In response to the ongoing conflict between Israel and the Palestinian Territories, the Singapore Red Cross (SRC) has committed more than US\$200,000 worth of relief supplies to provide crucial assistance to civilians in the Gaza Strip. A public fundraising appeal was also launched. SRC personnel were deployed to Egypt to work with the Egyptian Red Crescent (ERC) to directly coordinate the response which include urgently needed medical and food supplies into Gaza through the Rafah Border Crossing. Through a humanitarian flight coordinated by the Singapore Government, water filters were also dispatched to provide clean drinking water to communities in Gaza. The Society will continue to work with ERC and our Red Cross Red Crescent partners to deliver relief assistance to those affected by the conflict.

SINGAPORE RED CROSS SOCIETY

**NOTES TO FINANCIAL STATEMENTS
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15 INTERNATIONAL RELIEF FUNDS ("IRF") (cont'd)

Disaster Response Emergency Fund ("DREF") - In 2012, the Society received approval from the Charities Unit of Ministry of Culture, Community and Youth (MCCY) to transfer \$5,000,000 of the TWAF to DREF. The fund was set up to enable the Society to provide assistance to disaster afflicted countries during acute emergency phases and recovery phases. The fund is administered in a similar manner as the TWAF, and its use is restricted to disaster relief efforts undertaken by the Society or jointly with partners. Besides allowing the Society to do rapid deployment, the fund is also used to train and prepare responders for rapid deployment and to equip the Society for such purposes.

Humanitarian Response Fund ("HRF") - The fund was set up in 2014 to consolidate the inactive unsolicited funds with balances not sufficient to undertake any project or activity individually. These funds are consolidated into a common pool to undertake small-scale (below \$50,000) humanitarian projects within and beyond the region. The fund is used for small rehabilitation projects in Association of Southeast Asian Nations (ASEAN) and beyond, as well as, to provide training to better prepare vulnerable communities against natural and man-made disasters. Approval has also been sought from the Committee on Humanitarian Assistance and International Response (CHAIR) to utilise this fund for SRC's Restoring Family Links (RFL) programmes such as providing limited assistance to Singaporeans overseas caught up in challenging circumstances, and the "Last Mile Initiative" where injured or distressed migrant workers in Singapore are assisted with arrangements for returning home.

16 INCOME TAXATION

The Society is an approved charity institution under the Charities Act and Regulations and is exempted from tax under the Income Tax Act.

17 TAX EXEMPT RECEIPT

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Society.

	2023	2022
	\$	\$
Donations for which tax exempt receipts were issued	<u>6,508,966</u>	<u>6,675,379</u>

18 PROGRAMME SUPPORT RECOVERY

With effect from 1 January 2011, the Society levies a Programme Support Recovery charge on all solicited and unsolicited donations for international relief and assistance at the following rates:

First \$5,000,000	5%
Next \$10,000,000	2%
Amounts above \$15,000,000	1%

60% of the programme support recovery charge will be recognised upon collection of the funds whilst the remaining 40% will be recognised upon disbursement of the funds. The levy rates are reassessed annually.

SINGAPORE RED CROSS SOCIETY

**NOTES TO FINANCIAL STATEMENTS
31 December 2023**

19 MISCELLANEOUS

In 2023, the Society recharged \$477,748 (2022 : \$324,738) of staff costs that are directly attributable to "international relief and assistance" to the corresponding solicited and unsolicited International Relief Funds (Note 15) pursuant to the Council's approval.

In 2023, in view of the limited contribution of the IFRC to the local services of the Society, the Society allocated 80% (2022 : 80%) of its annual contribution to the IFRC amounting to \$206,509 (2022 : \$227,098) to the DREF.

The miscellaneous income mainly comprises of wage credit, special employment credit and temporary employment credit (Note 21).

20 FUNDRAISING COSTS

	2023	2022
	\$	\$
Manpower and operating costs	677,663	501,428
Fundraising events	784,392	668,541
Support costs (Note 23)	360,755	279,649
Administrative and operating expenses	484,406	255,235
Depreciation of property, plant and equipment	759	4,848
	<u>2,307,975</u>	<u>1,709,701</u>

Pursuant to Regulation 15 of the Charities (Institutions of a Public Character) Regulations, total fund raising and sponsorship expenses for the year shall not exceed 30% of total gross receipts from fundraising and sponsorships. The Society's total fundraising expenses represent approximately 11.0% (2022 : 8.0%) of the total gross receipts from fundraising for the year.

21 SURPLUS FOR THE YEAR

Surplus for the year has been arrived after charging (crediting):

	2023	2022
	\$	\$
Depreciation of property, plant and equipment	822,368	484,584
Property, plant and equipment written off	78,062	-
Interest income	(375,373)	(167,936)
Dividend income	(49,763)	(64,120)
Salary expenses	9,386,862	7,744,943
Bonus expense	1,563,588	1,399,779
Contributions to defined contribution plans	1,338,073	1,119,078
Foreign worker levy	420,634	281,864
Employee benefits	341,836	210,962
Wage credit scheme	(303,593)	(174,636)
Special employment credit	(71,214)	(129,155)

Staff cost for program departments constitutes 68% (2022: 68%) of the total staff for the year.

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Amount recognised in profit or loss relating to leases (The Society as lessee)

	2023	2022
	\$	\$
Depreciation of right-of-use assets	680,113	431,523
Interest on lease liabilities	42,073	24,596
Expenses relating to short-term leases and low value assets	87,482	84,731

21 SURPLUS FOR THE YEAR (cont'd)

The three highest paid employees whose remuneration exceeded \$100,000 during the year are as follows:

	2023	2022
	\$	\$
\$200,000 to \$300,000	1 ⁽¹⁾	1 ⁽¹⁾
\$100,000 to \$200,000	2	2

(1) This staff member also serves on the Council.

In 2023 and 2022, there is no paid staff who is a close member of the family of the Executive Head or a Council member.

The Society received in-kind sponsorship for its fundraising events in the form of prizes, goodie bags and items for auction. It also received consumables and food items for its Home for the Disabled. As part of its awareness building and publicity efforts, the Blood Donor Programme undertaken by the Society also garners corporate and individual support for its publicity drives, exhibitions, road shows, and other activities to promote public awareness in blood donation. For the above sponsorships, the Society does not recognise the above in-kind sponsorships in the statement of financial activities and other comprehensive income.

22 CHARITABLE ACTIVITIES

	Training Academy	Community Service - Transport Aid	Blood Donor Programme	Home for the Disabled	Service and disaster management	International Services	Red Cross Youth	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2023								
Manpower and operating costs	2,386,739	970,880	2,659,803	3,895,695	1,710,580	504,942	834,436	12,963,075
Depreciation	523,335	87,945	4,507	275,911	39,211	-	9,340	940,249
Support costs (Note 23)	674,023	150,729	241,662	1,015,181	720,008	698,676	204,811	3,705,090
	<u>3,584,097</u>	<u>1,209,554</u>	<u>2,905,972</u>	<u>5,186,787</u>	<u>2,469,799</u>	<u>1,203,618</u>	<u>1,048,587</u>	<u>17,608,414</u>

2022

Manpower and operating costs	1,563,437	777,988	2,424,759	3,498,583	1,471,541	459,065	841,150	11,036,523
Depreciation	80,005	82,142	4,616	168,049	57,917	-	16,906	409,635
Support costs (Note 23)	515,783	125,382	196,929	821,138	664,835	497,086	159,478	2,980,631
	<u>2,159,225</u>	<u>985,512</u>	<u>2,626,304</u>	<u>4,487,770</u>	<u>2,194,293</u>	<u>956,151</u>	<u>1,017,534</u>	<u>14,426,789</u>

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23 SUPPORT COSTS

	Finance	Human resource	Corporate communications	Marketing	Administration and information technology	Secretary General Office	Purchasing	Membership and volunteer development	Total 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2023									
Fundraising (Note 20)	117,646	28,981	57,375	-	75,413	49,973	17,913	13,454	360,755
Charitable activities:									
Training academy	83,044	39,849	102,000	-	226,238	189,897	19,541	13,454	674,023
Community service Transport Aid	34,602	21,736	19,125	-	37,706	29,984	4,885	2,691	150,729
Blood Donor Programme	48,442	39,849	51,000	-	-	49,973	22,798	29,600	241,662
Home for the Disabled	145,327	163,019	140,250	-	292,224	179,903	32,568	61,890	1,015,181
Service and disaster management	76,124	39,849	127,500	-	160,252	179,903	26,054	110,326	720,008
International services	166,088	18,113	102,000	-	75,413	279,849	19,541	37,672	698,676
Red Cross Youth	20,761	10,868	38,250	-	75,413	39,978	19,541	-	204,811
	<u>692,034</u>	<u>362,264</u>	<u>637,500</u>	<u>-</u>	<u>942,659</u>	<u>999,460</u>	<u>162,841</u>	<u>269,087</u>	<u>4,065,845</u>
2022									
Fundraising (Note 20)	94,546	13,890	28,704	23,278	70,285	20,242	18,481	10,223	279,649
Charitable activities:									
Training academy	75,637	25,466	57,408	49,882	210,856	72,870	13,441	10,223	515,783
Community service Transport Aid	31,515	13,890	12,302	13,302	35,143	12,145	5,040	2,045	125,382
Blood Donor Programme	44,121	25,466	32,804	26,604	-	20,242	25,201	22,491	196,929
Home for the Disabled	132,364	99,548	90,212	73,160	272,356	72,870	33,601	47,027	821,138
Service and disaster management	88,243	34,725	98,412	79,810	166,927	80,966	31,921	83,831	664,835
International services	144,970	11,575	65,609	46,556	70,285	109,305	20,161	28,625	497,086
- Red Cross Youth	18,909	6,945	24,603	19,953	52,714	16,193	20,161	-	159,478
	<u>630,305</u>	<u>231,505</u>	<u>410,054</u>	<u>332,545</u>	<u>878,566</u>	<u>404,833</u>	<u>168,007</u>	<u>204,465</u>	<u>3,260,280</u>

Support departments provide administrative and resource support to the various service and operation departments. Apportionment of support costs is based on time incurred. Estimation is done by the respective Heads of Department.

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24 COMMITMENTS

	<u>2023</u>	<u>2022</u>
	\$	\$
Commitments for development of plant, property and equipment	<u>1,161,852</u>	<u>7,604,191</u>