

SINGAPORE RED CROSS SOCIETY
(Registration No. S86CC0370E)

**COUNCIL'S STATEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2022

SINGAPORE RED CROSS SOCIETY

COUNCIL'S STATEMENT AND FINANCIAL STATEMENTS

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SINGAPORE RED CROSS SOCIETY

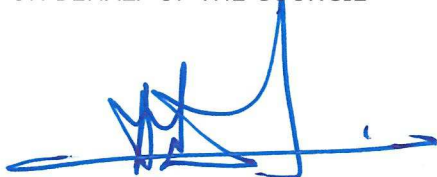
COUNCIL'S STATEMENT

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 2022.

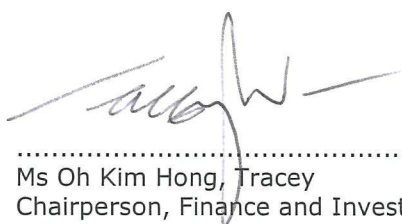
In the opinion of the Council,

- (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 2022 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

29 May 2023

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 2022, 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 a summary of significant accounting policies, 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 2022, 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

29 May 2023

SINGAPORE RED CROSS SOCIETY

**STATEMENT OF FINANCIAL POSITION
31 December 2022**

	Note	2022 \$	2021 \$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	23,859,175	26,897,451
Other receivables, deposits and prepayments	7	3,924,805	2,629,488
Debt instruments at fair value through other comprehensive income ("FVTOCI")	11	-	1,260,078
Total current assets		<u>27,783,980</u>	<u>30,787,017</u>
Non-current assets			
Fixed deposits	6	4,300,000	-
Property, plant and equipment	9	2,308,096	1,049,100
Right-of-use assets	10	2,252,863	1,793,634
Debt instruments at fair value through other comprehensive income ("FVTOCI")	11	1,477,625	1,570,587
Total non-current assets		<u>10,338,584</u>	<u>4,413,321</u>
Total assets		<u>38,122,564</u>	<u>35,200,338</u>
<u>LIABILITIES, FUNDS AND RESERVES</u>			
Current liabilities			
Other payables and accruals	12	9,959,918	11,045,713
Lease liabilities	13	348,935	160,411
Total current liabilities		<u>10,308,853</u>	<u>11,206,124</u>
Non-current liabilities			
Deferred capital grants	14	560,830	627,899
Lease liabilities	13	302,216	146,793
Total non-current liabilities		<u>863,046</u>	<u>774,692</u>
Funds and reserves			
Unrestricted funds		25,786,068	22,539,934
Restricted funds	15	1,194,722	595,048
Investment revaluation reserve	11	(30,125)	84,540
Total funds and reserves		<u>26,950,665</u>	<u>23,219,522</u>
Total liability, funds and reserves		<u>38,122,564</u>	<u>35,200,338</u>
Net assets of:			
International Relief Funds, held on behalf and managed by Singapore Red Cross Society	16	<u>28,377,613</u>	<u>23,587,826</u>

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2022

	Note	2022	2021
		\$	\$
Income			
Voluntary income:			
- General donations		4,534,957	3,316,102
- Donations (Home for the Disabled)		241,744	340,653
- Donations (Transport Aid)		58,753	29,371
- Membership subscriptions		95,610	53,968
Fundraising events		4,171,325	3,343,436
Investment and interest income		232,056	117,712
		9,334,445	7,201,242
Charitable activities			
Training Academy fees		1,720,820	1,346,724
Programme fees		86,224	59,736
Funding from Tote Board		248,226	280,083
Blood Donor Programme funding from Health Science Authority		2,418,324	2,403,891
Home for the Disabled:			
Residents' contribution		5,855	4,253
Grants from Ministry of Social and Family Development, National Council of Social Services and SG Enable		4,627,491	3,646,705
Other grants		31,416	36,208
Government grants:			
Ministry of Education		121,387	126,228
National Council of Social Services		5,473	7,849
Care and Share Fund		265,202	727,923
Community Silver Trust		212,472	271,650
Council for Third Age		179,308	136,971
Others		59,028	51,014
		9,981,226	9,099,235
Other income			
Government grants from Job Support Scheme		-	407,088
Programme Support Recovery	19	438,321	472,303
Miscellaneous	20	956,673	728,218
Total income		20,710,665	17,908,086

SINGAPORE RED CROSS SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME (cont'd)
Year ended 31 December 2022

	Note	2022 \$	2021 \$
Operating expenditure			
Fundraising costs	21	(1,709,701)	(1,267,679)
Charitable activities			
Training Academy		(2,159,225)	(1,805,167)
Community Service - Transport Aid		(985,512)	(1,039,791)
Blood Donor Programme		(2,626,304)	(2,432,685)
Home for the Disabled		(4,487,770)	(3,657,653)
Services and disaster management		(2,194,293)	(1,905,075)
International Services		(956,151)	(798,143)
Red Cross Youth		(1,017,534)	(711,548)
	23	(14,426,789)	(12,350,062)
Contribution to the International Federation of Red Cross and Red Cross Crescent Societies		(283,873)	(283,210)
Depreciation of right-of-use assets		(431,523)	(214,973)
Gain arising from the derecognition of debt instrument designated at FVTOCI		11,625	-
Interest expense		(24,596)	(13,176)
Total operating expenditure		<u>(16,864,857)</u>	<u>(14,129,100)</u>
Surplus for the year	22	3,845,808	3,778,986
Other comprehensive loss:			
<i>Items that are reclassified subsequently to profit or loss:</i>			
Change in fair value of debt instruments at FVTOCI		(103,040)	(55,718)
Other comprehensive loss for the year		(103,040)	(55,718)
Total comprehensive income for the year		<u>3,742,768</u>	<u>3,723,268</u>

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

STATEMENT OF CHANGES IN FUNDS AND RESERVES
Year ended 31 December 2022

	Unrestricted funds	Restricted funds	Investment revaluation reserve	Total
	\$	\$ (Note 15)	\$	\$
Balance at 1 January 2021	19,105,730	250,266	140,258	19,496,254
<i>Total comprehensive income for the year:</i>				
Surplus (Deficit) for the year	4,116,369	(337,383)	-	3,778,986
Other comprehensive loss for the year	-	-	(55,718)	(55,718)
Total	4,116,369	(337,383)	(55,718)	3,723,268
Transfer from restricted funds to unrestricted fund	7,380	(7,380)	-	-
Transfer from unrestricted fund to restricted funds	(689,545)	689,545	-	-
Total	(682,165)	682,165	-	-
Balance at 31 December 2021	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

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

STATEMENT OF CASH FLOWS
31 December 2022

	2022	2021
	\$	\$
Operating activities		
Surplus for the year	3,845,808	3,778,986
Adjustments for:		
Depreciation of property, plant and equipment	484,584	612,071
Depreciation of right-of-use assets	431,523	214,973
Gain arising from derecognition of the debt instrument designated at FVTOCI	(11,625)	-
Government grants	(8,168,325)	(8,095,611)
Dividend income	(64,120)	(83,210)
Interest income	(167,936)	(34,502)
Interest expense	24,596	13,176
Property, plant and equipment written off	-	173,660
Operating cash flows before movements in working capital	(3,625,495)	(3,420,457)
Other receivables, deposits and prepayments (Note A)	(714,861)	722,461
Other payables and accruals	(36,036)	2,849,205
Cash (used in) generated from operations	(4,376,392)	151,209
Interest paid	(24,596)	(13,176)
Net cash (used in) from operating activities	(4,400,988)	138,033
Investing activities		
Proceeds from redemption of debt instrument designated at FVTOCI	1,250,000	-
Placement of fixed deposits	(4,300,000)	-
Dividends received	64,120	83,210
Interest received	21,300	34,502
Purchase of property, plant and equipment	(1,743,580)	(521,901)
Addition to right-of-use asset	(183,257)	-
Proceeds from disposal of asset held-for-sale (Note 8)	-	400,000
Net cash flows (used in) from investing activities	(4,891,417)	(4,189)
Financing activities		
Government grants received	6,617,677	7,349,998
Repayment of lease liabilities	(363,548)	(149,640)
Net cash from financing activities	6,254,129	7,200,358
Net (decrease) increase in cash and cash equivalents	(3,038,276)	7,334,202
Cash and cash equivalents at beginning of year	26,897,451	19,563,249
Cash and cash equivalents at end of year (Note 6)	23,859,175	26,897,451

Note A: Other receivables, deposits and prepayments at the end of the year included interest receivables of \$167,936 (2021 : Nil).

See accompanying notes to financial statements.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

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 2022 were authorised for issue by the Board of Council Members on 29 May 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Charities Act and Regulations and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2022, the Society has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Society's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs that are relevant to the Society were issued but not effective:

Effective for annual periods beginning on or after 1 January 2023

- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective for annual reporting periods beginning on or after 1 January 2024

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*
- Amendments to FRS 1: *Non-current Liabilities with Covenants*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*

The management anticipates that the adoption of the above FRS in future periods will not have a material impact on the financial statements of the Society in the period of their initial adoption.

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.

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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 11). 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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equity instruments designated at FVTOCI

On initial recognition, the Society may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which FRS 103 applies.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Society manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

The Society has designated all investment in equity instruments that is not held for trading as at FVTOCI on initial recognition.

Dividends on these investments in equity instruments are recognised in profit or loss when the Society's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "investment and interest income" line item in profit or loss.

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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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;
- (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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS

31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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:

	2022	2021
	\$	\$
Financial assets		
Debt instruments at FVTOCI	1,477,625	2,830,665
Financial assets at amortised cost	27,746,567	29,516,432
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities at amortised cost	2,280,940	1,420,270
Lease liabilities	651,151	307,204
	<hr/>	<hr/>

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

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

(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% (2021 : 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.

(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 29% (2021 : 31%) 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 is assessed as having low credit risk.

SINGAPORE RED CROSS SOCIETY

**NOTES TO FINANCIAL STATEMENTS
31 December 2022**

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

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.

(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 13 to the financial statements.

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)	
	2022 Assets	2021 Assets			2022	2021
	\$	\$			\$	\$
1) Quoted debt instruments (Note 11)	1,477,625	2,830,665	Level 1 (2022 : Level 1)	Quoted bid prices in an active market.	147,762	283,067

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.

Except 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 2021.

SINGAPORE RED CROSS SOCIETY**NOTES TO FINANCIAL STATEMENTS
31 December 2022****5 COMPENSATION OF KEY MANAGEMENT PERSONNEL**

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

	2022	2021
	\$	\$
Short-term benefits	200,633	181,950
Post-employment benefits	10,202	8,844
	<u>210,835</u>	<u>190,794</u>

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

	2022	2021
	\$	\$
Travel and meeting expenses	<u>9,059</u>	-

Number of office bearers	<u>1</u>	-
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6 CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Fixed deposits	12,500,000	-
Cash at bank balances	<u>15,659,175</u>	<u>26,897,451</u>
Total	<u>28,159,175</u>	<u>26,897,451</u>
Less: Non-current fixed deposits	<u>(4,300,000)</u>	-
Cash and cash equivalent in statement of cash flows	<u>23,859,175</u>	<u>26,897,451</u>

Analysed as:

Current	23,859,175	26,897,451
Non-current	<u>4,300,000</u>	-

The fixed deposits bear interest ranging from 2.50% to 3.25% per annum and have maturity dates ranging from 9 to 24 months.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2022

7 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022	2021
	\$	\$
Blood Donor Programme subsidy receivable from Health Sciences Authority	628,323	678,891
Grants/Funding receivable	1,707,154	1,222,765
Deposits	226,980	294,981
Prepayments	368,290	10,511
Interest receivable	146,636	28,641
Wages Credit Scheme receivable	181,589	96,310
Training Academy fees and Transport Aid fees receivable	645,734	289,867
Others	20,099	7,522
	<u>3,924,805</u>	<u>2,629,488</u>

Receivables are not past due and not impaired.

8 ASSET HELD-FOR-SALE

Asset held-for-sale relates to a donated asset pertaining to a donation-in-kind of 40% ownership of an apartment from a third party in 2019. The value of the donated asset was estimated based on publicly available information of the recent transacted prices of similar properties.

In 2020, the Society and the other owner accepted an offer to sell the donated asset at a consideration of \$999,999. The Society and the other owner had the intention to sell and had put up the apartment for sale. The transaction was completed in 2021.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2022

9 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 2021	1,960,406	374,112	946,037	915,981	2,024,267	759,302	173,660	7,153,765
Additions	136,282	-	110,698	15,146	121,278	138,497	-	521,901
Written off	(139,211)	-	-	(32,663)	-	-	(173,660)	(345,534)
At 31 December 2021	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
Accumulated depreciation:								
At 1 January 2021	1,502,732	370,605	603,676	850,591	2,004,880	508,351	-	5,840,835
Depreciation for the year	197,326	1,043	127,456	49,824	39,148	197,274	-	612,071
Written off	(139,211)	-	-	(32,663)	-	-	-	(171,874)
At 31 December 2021	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
Carrying amount:								
At 31 December 2021	396,630	2,464	325,603	30,712	101,517	192,174	-	1,049,100
At 31 December 2022	271,018	1,421	265,321	318,938	93,731	117,870	1,239,797	2,308,096

SINGAPORE RED CROSS SOCIETY

**NOTES TO FINANCIAL STATEMENTS
31 December 2022**

9 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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.

10 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 2021	1,841,093	80,454	144,471	2,066,018
Additions	-	301,820	16,190	318,010
Disposals	-	-	(37,751)	(37,751)
At 31 December 2021	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
Accumulated depreciation:				
At 1 January 2021	287,387	43,884	44,150	375,421
Depreciation for the year	61,370	130,148	23,455	214,973
Disposals	-	-	(37,751)	(37,751)
At 31 December 2021	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
Carrying amount:				
At 31 December 2021	1,492,336	208,242	93,056	1,793,634
At 31 December 2022	1,612,179	550,036	90,648	2,252,863

11 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022	2021
	\$	\$
Quoted debt instruments at FVTOCI:		
At beginning of the year	2,830,665	2,886,383
Redemption during the year	(1,250,000)	-
Remeasurement of fair value	(103,040)	(55,718)
At end of the year	1,477,625	2,830,665
Current	-	1,260,078
Non-current	1,477,625	1,570,587

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
31 December 2022

11 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% (2021 : 2.36% to 3.48%) per annum and have maturity date in 2024 (2021 : 2022 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.

12 OTHER PAYABLES AND ACCRUALS

	2022	2021
	\$	\$
Accrued operating expenses	2,028,472	1,284,599
Grants received in advance from Lee Foundation	246,181	273,263
Grants received in advance for Specific Projects	523,722	1,236,711
Employee benefits	250,408	133,611
Residents' deposits from Home for the Disabled	2,060	2,060
Grants received in advance from Community Silver Trust and Care and Share Fund	197,583	501,361
Grants received in advance for purchase of vehicles	95,839	95,839
Grants received in advance for Community Services	875,547	881,451
Donation received in advance for COLE Programme	301,632	455,166
Donations received in advance for COVID-19 Singapore Fund	3,240,072	5,983,250
Donations received in advance for Capability and Resilience Development Fund (CRDF)	2,000,000	-
Donations received in advance for Center of Excellence for Pandemic Preparedness	198,402	198,402
	<u>9,959,918</u>	<u>11,045,713</u>

The COVID-19 Singapore fund has raised \$8,473,503 since its inception in 2020. From the fund, \$3,233,431 (2021 : \$2,411,009) was utilised to date, mostly on care packages for the elderly, migrant workers and infant care packages for needy families. During the year, the Council approved a transfer of \$2,000,000 from the fund to set up the Capability and Resilience Development Fund. As of 31 December 2022, \$3,240,072 (2021 : \$5,983,250) remains in the fund and will be utilised towards COVID-related relief for the vulnerable in Singapore in 2023 and future years. The Capability and Resilience Development Fund was set up with a goal of accelerating the development of the Society's local programmes.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
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12 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 2021	874,273	423,487	1,297,760
Grants received during the year	176,935	165,607	342,542
Grants returned during the year	(457,798)	-	(457,798)
Transfer to statement of financial activities and other comprehensive income	(61,525)	(549,444)	(610,969)
Transfer to deferred capital grant	(30,524)	(39,650)	(70,174)
Balance at 31 December 2021	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

13 LEASE LIABILITIES (The Society as lessee)

	2022	2021
	\$	\$
Maturity analysis:		
Year 1	386,143	200,792
Year 2	153,194	70,310
Year 3	80,952	25,689
Year 4	31,055	22,949
Year 5	16,783	1,800
	668,127	321,540
Less: Unearned interest	(16,976)	(14,336)
	651,151	307,204
Analysed as:		
Current	348,935	160,411
Non-current	302,216	146,793
	651,151	307,204

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 2022

13 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.

	1 January 2021	<u>Non-cash changes</u> New lease liabilities	Financing cash flows	31 December 2021
	\$	\$	\$	\$
Lease liabilities	138,834	318,010	(149,640)	307,204

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

14 DEFERRED CAPITAL GRANTS

	2022	2021
	\$	\$
At the beginning of financial year	627,899	832,521
Transfer from grants received in advance	265,318	237,898
Transfer to statement of financial activities and other comprehensive income		
- Community Silver Trust	(53,554)	(210,125)
- Care and Share Fund	(139,976)	(178,479)
- Others	(138,857)	(53,916)
	(332,387)	(442,520)
At the end of the financial year	560,830	627,899

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
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15 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 2021	250,266	-	250,266
Surplus (Deficit) for the year	352,162	(689,545)	(337,383)
Transfer from restricted funds to unrestricted fund	(7,380)	-	(7,380)
Transfer from unrestricted fund to restricted funds	-	689,545	689,545
	344,782	-	344,782
Balance as at 31 December 2021	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 at 31 December 2022	1,194,722	-	1,194,722

16 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 to administer the IRF.

	2022	2021
	\$	\$
Represented by:		
- Fixed deposits	18,500,000	-
- Cash at bank and in hand	9,688,486	23,587,826
- Interest receivable	189,127	-
	28,377,613	23,587,826

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS
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16 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	1,599,941	212,796	(130,946)	2,944	(7,006)	(13,466)	-	1,664,263
Indonesia Relief Fund	79,897	1,564	(34,090)	-	(729)	-	-	46,642
China Earthquake Relief Fund	2,601,352	10,216	-	27,145	(307)	-	-	2,638,406
Myanmar Cyclone Relief Fund	406,328	-	-	1,274	-	-	-	407,602
Japan Disaster Relief Fund	3,247,503	-	(92,459)	26,437	(1,849)	(5,680)	-	3,173,952
Haiyan Relief Fund	901,224	-	-	9,447	-	-	-	910,671
Malaysian Flood Relief Fund	348,923	336,650	(7,536)	5,976	(10,250)	-	-	673,763
Cyclone Pam Relief Fund	33,970	-	-	223	-	-	-	34,193
Myanmar Floods Relief Fund	267,525	200	-	1,278	(6)	-	-	268,997
South India Floods 2015	191,372	-	-	2,006	-	-	-	193,378
Nepal Earthquake Relief Fund	1,642,200	-	(69,417)	10,383	(1,388)	(9,931)	-	1,571,847
Japan Earthquake	100,762	-	-	-	-	-	-	100,762
Ecuador Earthquake	29,529	-	-	-	-	-	-	29,529
Tidal Waves Asia Fund	775,557	-	(16,097)	6,292	(322)	-	-	765,430
Rakhine Relief Fund	52,748	-	-	154	-	-	-	52,902
Sri Lanka Floods	104,545	-	-	917	-	-	-	105,462
Laos Floods	120,257	-	-	-	-	-	-	120,257
Lombok Earthquake	194,354	-	-	674	-	-	-	195,028
South India Floods 2018	315,109	2,750	(13,383)	204	(350)	-	-	304,330
Sulawesi Earthquake	1,497,791	-	-	10,871	-	-	-	1,508,662
Sunda Strait Tsunami	298,960	-	-	2,972	-	-	-	301,932
Coronavirus 19 - China	1,639,608	100	(1)	313	(3)	(4,965)	-	1,635,052
Australia Bush Fires 2021	195,053	-	-	509	-	-	-	195,562
Beirut Explosion 2020	321,009	960	(12)	2,757	(29)	-	-	324,685
SEA Flood 2020	151,412	-	-	1,270	-	-	-	152,682
India COVID 2019 Response	1,765,215	20,659	(50,028)	7,829	(1,020)	(9,210)	-	1,733,445
Afghanistan Relief Fund	21,188	-	(13,198)	-	-	-	-	7,990
Gaza Relief Fund	245,320	775	-	2,518	(23)	-	-	248,590
Covid 19 - International	727,516	53,326	(120,918)	6,395	(4,018)	(50,596)	-	611,705
Haiti Earthquake Relief Fund	52,599	150	-	546	(5)	-	-	53,290
Afghanistan Humanitarian Relief Fund	92,183	1,750	(89,049)	-	(62)	-	-	4,822
Tonga Volcanic Eruption 2022	-	197,221	(53,392)	1,205	(6,984)	-	-	138,050
Ukraine Crisis 2022	-	8,745,766	(5,258,407)	32,863	(299,314)	(100,448)	-	3,120,460
Sri Lanka Economic Crisis 2022	-	701,027	(315,360)	3,798	(27,338)	(56,158)	-	305,969
Afghanistan Earthquake 2022	-	453,110	(7,762)	2,656	(13,749)	-	-	434,255
Pakistan Flood 2022	-	1,327,033	(225,656)	6,105	(44,324)	(57,050)	-	1,006,108
Indonesia West Java EQ 2022	-	212,769	(10)	2,111	(6,383)	-	-	208,487
Disaster Response Emergency Fund	2,559,348	-	(351,399)	23,238	(11,060)	(17,234)	-	2,202,893
Humanitarian Response Fund	1,007,528	100	(89,936)	9,670	(1,802)	-	-	925,560
	<u>23,587,826</u>	<u>12,278,922</u>	<u>(6,939,056)</u>	<u>212,980</u>	<u>(438,321)</u>	<u>(324,738)</u>	<u>-</u>	<u>28,377,613</u>

* Other expenditures comprise of the recharge of staff cost (Note 20).

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS

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16 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, SGD 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.

Haiti Relief Fund - The Society has utilised the funds for health programmes for disaster stricken areas in Haiti.

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.

Malaysian Flood Relief Fund - The Society is working with the Malaysian Red Crescent Society (MRCS) to identify suitable humanitarian projects in the flood affected areas. The fund has also been utilised to purchase PPEs for MRCS during the COVID-19 outbreak in 2021.

Cyclone Pan Relief Fund - The Society has supported Vanuatu Red Cross in disaster management programmes and the tropical cyclone-affected communities, such as first aid and livelihood activities.

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NOTES TO FINANCIAL STATEMENTS 31 December 2022

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

Myanmar Floods Relief Fund - The Society will continue to work with the Myanmar Red Cross Society (MRCS) on recovery projects supporting the floods affected regions, including the support of the recovery of schools, livelihoods etc.

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.

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. Funds will also be used to improve on or refurbish facilities that were previously funded by SRC.

Japan Earthquake - The Society will continue to seek community projects to support earthquake affected people together with the Japanese Red Cross Society and other partners.

Rakhine Relief Fund - Working with the Myanmar Red Cross and Red Cross Movement partners, the Society will commit to support all the communities affected by the current violent clashes in Rakhine.

Sri Lanka Floods - The Society has been working in Sri Lanka for more than 12 years, since the deadly Indian Ocean tsunami, supporting impactful projects in areas such as education, medical and health, emergency response, disaster management, training and the equipping of disaster response teams.

Lombok Earthquake - The Society is working closely with the Indonesian Red Cross (Palang Merah Indonesia or "PMI") teams and are assisting with first aid and emergency supplies to support relief distribution in the affected communities in Lombok, Indonesia. Funds will be committed to the rebuilding of public schools and distribution of school kits.

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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

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

Sunda Strait Tsunami - In response to the tsunami following a volcanic eruption that hit the coast around the Sunda Straits in Indonesia on 22 December 2018, the Singapore Red Cross (SRC) will, in the first instance, extend \$50,000 in humanitarian aid to support affected communities. The Society has also launched a month-long public appeal (26 December 2018 to 25 January 2019) for donations, which will go towards the purchase of relief items for displaced survivors; and longer-term recovery and rebuilding efforts. The Society will continue to work closely with the Indonesian Red Cross (Palang Merah Indonesia or "PMI") to identify projects that would benefit the communities in the area.

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 S\$50,000 to support the relief and recovery operations of the Australian Red Cross (ARC). Subsequently, an additional S\$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.

Coronavirus 19 - China - In February 2020, a public appeal for donations was launched by the Singapore Red Cross (SRC) in view of the rapid spreading of COVID-19 in China. Funds raised were committed to support the relief and recovery programmes of the IFRC, Red Cross Society of China, and both international and local NGOs such as World Vision, Shenzhen One Foundation, Sichuan Province Foundation for Poverty Alleviation, China Foundation for Poverty Alleviation and Beijing United Charity Federation. The Society will continue to work with these organisations to support groups that are the most vulnerable to the effects of the virus.

Beirut Explosion 2020 - In August 2020, the Singapore Red Cross (SRC) made an initial contribution of S\$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.

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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

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

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 S\$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.

Afghanistan Relief Fund 2021 - In response to the severe droughts in Afghanistan, SRC launched an emergency public appeal to reach out to the communities in need. In Afghanistan, more than 13 million people are urgently lacking food, water and cash assistance to survive. Working with partners in the Red Cross Red Crescent Movement, funds raised have been used to deliver primary healthcare services which include out-patient, health education, immunisation, and reproductive health services to an average of 200,000 people per month. Food parcels containing items such as wheat, rice, oil, bean, salt, sugar, and more will also be distributed to communities affected by the ongoing drought.

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.

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.

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 2022

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

Afghanistan Humanitarian Relief Fund 2021 - In response to the humanitarian crisis in Afghanistan, the Singapore Red Cross (SRC) launched an emergency public appeal to support the ongoing humanitarian efforts by the International Federation of Red Cross and Red Crescent Societies (IFRC) and the Afghanistan Red Crescent Society (ARCS). This follows the public appeal that SRC had launched in May in response to the ongoing drought in Afghanistan. The funds raised from both appeals have been channelled towards relief and recovery of affected communities, with a focus on emergency and primary healthcare, Water & Sanitation and restoration of the livelihoods to the vulnerable communities.

Malaysia Flood 2021 - In response to the recent floods in Malaysia, the Singapore Red Cross (SRC) has pledged US\$50,000 to the Malaysian Red Crescent, 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. SRC is also in discussion with the Malaysian Red Crescent to support its flood recovery programmes which include health and WASH assistance for communities affected by the flood.

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.

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 SGD\$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 22 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 SGD\$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 society will continue to work with partners on the ground to support the needs and livelihoods of affected communities.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS

31 December 2022

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

Afghanistan Earthquake 2022 - In response to the earthquake in Afghanistan, the Singapore Red Cross (SRC) committed SGD\$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.

Pakistan Flood 2022 - In response to the ravaging floods in Pakistan caused by monsoon rains, the Singapore Red Cross (SRC) committed SGD\$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 will continue to work with the Indonesian Red Cross to support rebuilding and recovery of the affected areas.

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.

17 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.

SINGAPORE RED CROSS SOCIETY

NOTES TO FINANCIAL STATEMENTS 31 December 2022

18 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.

	2022	2021
	\$	\$
Donations for which tax exempt receipts were issued	<u>6,675,379</u>	<u>9,657,912</u>

19 PROGRAMME SUPPORT RECOVERY

With effect from 1 January 2011, the Society has levied 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.

20 MISCELLANEOUS

In 2022, the Society recharged \$324,738 (2021 : \$217,541) of staff costs that are directly attributable to "international relief and assistance" to the corresponding solicited and unsolicited International Relief Funds (Note 16) pursuant to the Council's approval.

In 2022, in view of the limited contribution of the IFRC to the local services of the Society, the Society recharged 80% (2021 : 80%) of its annual contribution to the IFRC amounting to \$227,098 (2021 : \$226,568) to the DREF.

The miscellaneous income mainly comprises of wage credit, special employment credit and temporary employment credit (Note 22).

21 FUNDRAISING COSTS

	2022	2021
	\$	\$
Manpower and operating costs	501,428	295,011
Fundraising events	668,541	673,723
Support costs (Note 24)	279,649	227,485
Administrative and operating expenses	255,235	58,913
Depreciation of property, plant and equipment	4,848	12,547
	<u>1,709,701</u>	<u>1,267,679</u>

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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 8.0% (2021 : 6.5%) of the total gross receipts from fundraising for the year.

22 SURPLUS FOR THE YEAR

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

	2022	2021
	\$	\$
Depreciation of property, plant and equipment	484,584	612,071
Property, plant and equipment written off	-	173,660
Interest income	(167,936)	(34,502)
Dividend income	(64,120)	(83,210)
Salary expenses	7,744,943	6,831,817
Bonus expense	1,399,779	802,516
Contributions to defined contribution plans	1,119,078	928,982
Foreign worker levy	281,864	223,497
Employee benefits	210,962	170,689
Wage credit scheme	(174,636)	(105,186)
Special employment credit	(129,155)	(97,643)

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

	2022	2021
	\$	\$
Depreciation of right-of-use assets	431,523	214,973
Interest on lease liabilities	24,596	13,176
Expenses relating to short-term leases and low value assets	84,731	77,989

22 SURPLUS FOR THE YEAR (cont'd)

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

	2022	2021
	\$	\$
\$200,000 to \$300,000	1 ⁽¹⁾	-
\$100,000 to \$200,000	2	3 ⁽²⁾

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

⁽²⁾ Inclusive of one staff member who serves on the Council.

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NOTES TO FINANCIAL STATEMENTS 31 December 2022

In 2022 and 2021, 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.

23 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
	\$	\$	\$	\$	\$	\$	\$	\$
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 24)	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>
2021								
Manpower and operating costs	1,260,402	791,391	2,240,742	2,709,620	1,228,009	366,175	556,092	9,152,431
Depreciation	80,566	139,159	8,028	201,402	83,194	-	17,446	529,795
Support costs (Note 24)	464,199	109,241	183,915	746,631	593,872	431,968	138,010	2,667,836
	<u>1,805,167</u>	<u>1,039,791</u>	<u>2,432,685</u>	<u>3,657,653</u>	<u>1,905,075</u>	<u>798,143</u>	<u>711,548</u>	<u>12,350,062</u>

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24 SUPPORT COSTS

	Finance	Human Resource	Corporate Communications	Marketing	Administration and Information Technology	Secretary General Office	Purchasing	Membership and Volunteer Development	Total 2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2022									
Fundraising (Note 21)	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	72,879	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>
2021									
Fundraising (Note 21)	55,407	14,798	24,972	18,884	63,057	26,084	15,503	8,780	227,485
Charitable activities:									
- Training academy	43,534	27,129	49,943	40,467	189,170	93,901	11,275	8,780	464,199
- Community service Transport Aid	19,788	14,798	10,702	10,791	31,528	15,650	4,228	1,756	109,241
- Blood Donor Programme	35,619	24,663	28,539	21,582	-	31,300	21,140	21,072	183,915
- Home for the Disabled	83,110	110,983	78,482	59,351	252,228	93,901	28,187	40,389	746,631
- Service and disaster management	55,407	36,993	85,616	64,746	149,759	104,333	26,777	70,241	593,872
- International services	87,068	9,865	57,078	37,769	63,057	135,635	16,912	24,584	431,968
- Red Cross Youth	15,831	7,399	21,404	16,187	39,410	20,867	16,912	-	138,010
	<u>395,764</u>	<u>246,628</u>	<u>356,736</u>	<u>269,777</u>	<u>788,209</u>	<u>521,671</u>	<u>140,934</u>	<u>175,602</u>	<u>2,895,321</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.

25 COMMITMENTS

	<u>2022</u>	<u>2021</u>
	\$	\$
Commitments for development of plant, property and equipment	<u>7,604,191</u>	-