

We Rise As One

Financial Report 2023



Unique Entity Number 200613504D

Caritas Singapore Community Council Limited

Annual Financial Statements
30 September 2023

	Page
Directors' statement	1
Independent auditor's report	3
Statement of financial activities	6
Balance sheet	10
Statement of changes in funds	12
Statement of cash flows	13
Notes to the financial statements	15

Caritas Singapore Community Council Limited

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of Caritas Singapore Community Council Limited (the "Council") for the financial year ended 30 September 2023.

Opinion of the directors

In the opinion of the directors,

- (i) the accompanying statements of financial activities, balance sheet, statement of changes in funds and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Council as at 30 September 2023, and the financial performance, changes in funds and cash flows of the Council for the financial year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due.

Directors

The directors of the Council in office at the date of this statement are:

Liew Yun Chong Agnes	(Appointed as Chairman on 1 January 2023)
Alan Lim Kang Hong	
Fr. Ambrose Vaz	
Francis Wan Kin Choy	
Lum Hon Fye	
Pereira Carol Barbara	
Teo Sien Peng Gerard	
Yee May Kuen, Peggy Sarah	
Cheong Thiam Beng Benedict	(Appointed on 1 January 2023)
Mark Ceryl Wettasinghe	(Appointed on 1 January 2023)
Sr. Seow Lee Huang Theresa	(Appointed on 1 January 2023)
Woo Mei Lin Jacqueline	(Appointed on 1 January 2023)
Roland Yeow Theng Nam	(Appointed on 1 June 2023)
Lee Pei Siang Susanna	(Appointed on 1 June 2023)
Neo Peng Choon Alvin	(Appointed on 1 January 2024)

Arrangements to enable directors to acquire shares and debentures

The Council is a company limited by guarantee and has no share capital. None of the Directors holding office at the end of the financial year had an interest in the share capital of the Council that is required to be reported pursuant to Section 201(6)(f) of the Singapore Companies Act 1967.

Caritas Singapore Community Council Limited

Directors' statement

Directors' interests in shares and debentures

The Council is a company limited by guarantee.

There were no shares or debentures in issue in the Council at the end of the financial year.

Options

The Council is a company limited by guarantee. As such, there are no share options or unissued shares under option.


Auditors

Ernst & Young LLP has expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors



Liew Yun Chong Agnes
Director



Teo Sien Peng Gerard
Director

11 January 2024

Caritas Singapore Community Council Limited

Independent auditor's report

For the financial year ended 30 September 2023

Independent auditor's report to the members of Caritas Singapore Community Council Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Caritas Singapore Community Council Limited (the "Council"), which comprise the balance sheet as at 30 September 2023, the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Companies Act), the 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 Council as at 30 September 2023 and of the financial performance, changes in funds and cash flows of the Council 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 Council in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises Directors' statement set out on pages 1 to 2 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 on this other information, we are required to report that fact. We have nothing to report in this regard.

Caritas Singapore Community Council Limited

Independent auditor's report

For the financial year ended 30 September 2023

Independent auditor's report to the members of Caritas Singapore Community Council Limited

Responsibilities of management and those charged with governance 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 Companies Act, 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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. The directors' responsibilities include overseeing the Council's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Caritas Singapore Community Council Limited

Independent auditor's report

For the financial year ended 30 September 2023

Independent auditor's report to the members of Caritas Singapore Community Council Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council'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 Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 Council have been properly kept in accordance with the provisions of the Companies Act and 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 Council has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Council has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

11 January 2024

Caritas Singapore Community Council Limited

**Statement of financial activities
For the financial year ended 30 September 2023**

		General Fund		Agape Fund				
	Note	Unrestricted Fund 2023 \$	Restricted Fund 2023 \$	Unrestricted Fund 2023 \$	Restricted Fund 2023 \$	Agape Village Building Fund 2023 \$	Sinking Fund 2023 \$	Total 2023 \$
Incoming resources								
Incoming resources from generated funds								
Voluntary income	4	2,134,050	—	10,321,049	—	—	—	12,455,099
Interest income – financial institution		42,728	—	182,156	—	—	—	224,884
Interest income – lease receivable		6,141	—	29,024	—	—	—	35,165
Investment income:-								
- Coupons	18	—	—	193,829	—	—	—	193,829
- Dividends	18	—	—	6,165	—	—	—	6,165
- Interest		—	—	220	—	—	—	220
- Others		—	—	1,125	—	—	—	1,125
- Unrealised gain on financial asset at FVPL		—	—	165,104	—	—	—	165,104
Incoming resources from charitable activities								
Other incoming resources	5	132,769	—	814,130	—	—	—	946,899
Total incoming resources		2,315,688	—	11,712,802	—	—	—	14,028,490
Resources expended								
Costs of generating funds								
Costs of generating voluntary income	6	93,752	—	399,679	—	—	—	493,431
Investment expenditure:-								
- Unrealised loss on financial assets at FVPL		—	—	9,168	—	—	—	9,168
- Realised loss on financial assets at FVPL		—	—	43,948	—	—	—	43,948
Total costs of generating funds		93,752	—	452,795	—	—	—	546,547
Net incoming resources available for charitable application								
		2,221,936	—	11,260,007	—	—	—	13,481,943

Caritas Singapore Community Council Limited

Statement of financial activities (cont'd)
For the financial year ended 30 September 2023

	Note	General Fund		Agape Fund				Total 2023 \$
		Unrestricted Fund 2023 \$	Restricted Fund 2023 \$	Unrestricted Fund 2023 \$	Restricted Fund 2023 \$	Agape Village Building Fund 2023 \$	Sinking Fund 2023 \$	
Net incoming resources available for charitable application		2,221,936	–	11,260,007	–	–	–	13,481,943
Cost of charitable activities	7	1,108,197	–	8,898,672	–	–	195,800	10,202,669
Governance costs	9	–	–	401,160	–	–	–	401,160
		1,108,197	–	9,299,832	–	–	195,800	10,603,829
Interest expense – lease liabilities	17	6,903	–	74,399	–	–	–	81,302
Interest expense – provision for reinstatement costs	19	234	–	5,973	–	–	–	6,207
Total resources expended		1,209,086	–	9,832,999	–	–	195,800	11,237,885
Net incoming resources, representing total comprehensive income		1,106,602	–	1,879,803	–	–	(195,800)	2,790,605

Caritas Singapore Community Council Limited

Statement of financial activities
For the financial year ended 30 September 2023

		General Fund		Agape Fund				
	Note	Unrestricted Fund 2022 \$	Restricted Fund 2022 \$	Unrestricted Fund 2022 \$	Restricted Fund 2022 \$	Agape Village Building Fund 2022 \$	Sinking Fund 2022 \$	Total 2022 \$
Incoming resources								
<i>Incoming resources from generated funds</i>								
Voluntary income	4	1,398,714	—	10,564,411	—	—	—	11,963,125
Interest income – financial institution		9,318	—	40,689	—	—	—	50,007
Interest income – lease receivable	17	—	—	7,233	—	—	—	7,233
Investment income:-								
- Coupons	18	—	—	36,614	—	—	—	36,614
- Dividends	18	—	—	883	—	—	—	883
<i>Incoming resources from charitable activities</i>								
Other incoming resources	5	109,345	—	495,229	—	—	—	604,574
Total incoming resources		1,517,377	—	11,145,059	—	—	—	12,662,436
Resources expended								
<i>Costs of generating funds</i>								
Costs of generating voluntary income	6	65,098	—	277,522	—	—	—	342,620
Investment expenditure:-								
- Unrealised loss on financial assets at FVPL		—	—	133,788	—	—	—	133,788
- Realised loss on financial assets at FVPL		—	—	1,879	—	—	—	1,879
Total costs of generating funds		65,098	—	413,189	—	—	—	478,287
Net incoming resources available for charitable application		1,452,279	—	10,731,870	—	—	—	12,184,149

Caritas Singapore Community Council Limited

Statement of financial activities (cont'd)
For the financial year ended 30 September 2023

	Note	General Fund		Agape Fund				Total 2022 \$
		Unrestricted Fund 2022 \$	Restricted Fund 2022 \$	Unrestricted Fund 2022 \$	Restricted Fund 2022 \$	Agape Village Building Fund 2022 \$	Sinking Fund 2022 \$	
Net incoming resources available for charitable application		1,452,279	–	10,731,870		–	–	12,184,149
Cost of charitable activities	7	868,784	–	8,633,950	–	–	–	9,502,734
Governance costs	9	–	–	377,787	–	–	–	377,787
		868,784	–	9,011,737	–	–	–	9,880,521
Interest expense – lease liabilities	17	7,179	–	78,756	–	–	–	85,935
Interest expense – provision for reinstatement costs	19	230	–	5,674	–	–	–	5,904
Total resources expended		941,291	–	9,509,356	–	–	–	10,450,647
Net incoming resources, representing total comprehensive income		576,086	–	1,635,703	–	–	–	2,211,789

Caritas Singapore Community Council Limited

Balance sheet **As at 30 September 2023**

	Note	General Fund 2023 \$	Agape Fund 2023 \$	Total 2023 \$
Non-current assets				
Property, plant and equipment	12	2,065	27,552	29,617
Agape Village Building	12	–	10,098,075	10,098,075
Right-of-use assets	17	531,278	3,052,379	3,583,657
		533,343	13,178,006	13,711,349
Current assets				
Prepayments	13	10,564	70,979	81,543
Lease receivable	17	–	8,157	8,157
Other debtors and deposits	14	16,877	167,339	184,216
Financial assets at fair value through profit or loss (FVPL)	18	–	6,078,850	6,078,850
Cash and short-term deposits	15	3,426,107	19,683,292	23,109,399
		3,453,548	26,008,617	29,462,165
Non-current liabilities				
Provision for reinstatement cost	19	4,780	122,422	127,202
Lease liabilities	17	129,991	1,381,848	1,511,839
		134,771	1,504,270	1,639,041
Current liabilities				
Creditors and accruals	16	762,122	351,114	1,113,236
Lease liabilities	17	5,803	62,153	67,956
		767,925	413,267	1,181,192
Net current assets		2,685,623	25,595,350	28,280,973
Net assets		3,084,195	37,269,086	40,353,281
Funds				
General Fund				
Restricted fund	20	345,836	–	345,836
Unrestricted fund	21	2,738,359	–	2,738,359
		3,084,195	–	3,084,195
Agape Fund				
Restricted fund/expendable endowment fund	20	–	298,340	298,340
Unrestricted fund	21	–	25,417,717	25,417,717
Agape village building – restricted designated fund	20	–	10,098,075	10,098,075
Sinking fund	20	–	1,454,954	1,454,954
		–	37,269,086	37,269,086
Total funds		3,084,195	37,269,086	40,353,281

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

Caritas Singapore Community Council Limited

Balance sheet **As at 30 September 2023**

	Note	General Fund 2022 \$	Agape Fund 2022 \$	Total 2022 \$
Non-current assets				
Property, plant and equipment	12	9,786	52,036	61,822
Agape Village Building	12	–	10,633,472	10,633,472
Right-of-use assets	17	561,550	3,231,777	3,793,327
Lease receivable	17	–	8,157	8,157
		571,336	13,925,442	14,496,778
Current assets				
Prepayments	13	7,804	61,612	69,416
Lease receivable	17	–	95,424	95,424
Other debtors and deposits	14	2,791	144,084	146,875
Financial assets at fair value through profit or loss (FVPL)	18	–	5,029,707	5,029,707
Cash and short-term deposits	15	1,831,757	19,028,457	20,860,214
		1,842,352	24,359,284	26,201,636
Non-current liabilities				
Provision for reinstatement cost	19	4,546	116,449	120,995
Lease liabilities	17	135,794	1,444,001	1,579,795
		140,340	1,560,450	1,700,790
Current liabilities				
Creditors and accruals	16	282,624	512,028	794,652
Lease liabilities	17	13,131	91,768	104,899
		295,755	603,796	899,551
Net current assets		1,546,597	23,755,488	25,302,085
Net assets		1,977,593	36,120,480	38,098,073
Funds				
General Fund				
Restricted fund	20	345,836	–	345,836
Unrestricted fund	21	1,631,757	–	1,631,757
		1,977,593	–	1,977,593
Agape Fund				
Restricted fund/expendable endowment fund	20	–	298,340	298,340
Unrestricted fund	21	–	23,537,914	23,537,914
Agape village building – restricted designated fund	20	–	10,633,472	10,633,472
Sinking fund	20	–	1,650,754	1,650,754
		–	36,120,480	36,120,480
Total funds		1,977,593	36,120,480	38,098,073

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

Caritas Singapore Community Council Limited

**Statement of changes in funds
For the financial year ended 30 September 2023**

	General Fund		Agape Fund				Total Funds
	Unrestricted Fund	Restricted Fund	Unrestricted Fund \$	Restricted Fund \$	Agape Village Building Fund \$	Sinking Fund \$	
2023							
At 1 October 2022	1,631,757	345,836	23,537,914	298,340	10,633,472	1,650,754	38,098,073
Net incoming resources	1,106,602	–	1,879,803	–	–	(195,800)	2,790,605
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	–	–	–	–	(535,397)	–	(535,397)
At 30 September 2023	2,738,359	345,836	25,417,717	298,340	10,098,075	1,454,954	40,353,281
2022							
At 1 October 2021	1,055,671	345,836	21,902,211	298,340	11,184,014	1,650,754	36,436,826
Net incoming resources	576,086	–	1,635,703	–	–	–	2,211,789
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	–	–	–	–	(550,542)	–	(550,542)
At 30 September 2022	1,631,757	345,836	23,537,914	298,340	10,633,472	1,650,754	38,098,073

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

Caritas Singapore Community Council Limited

Statement of cash flows

For the financial year ended 30 September 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Net incoming resources for the year	2,790,605	2,211,789
Adjustments:		
Interest income – financial institution	(224,884)	(50,007)
Interest income – lease receivable	(2,842)	(7,233)
Depreciation charge – property, plant, and equipment	580,451	612,484
Depreciation charge – right-of-use assets	209,670	209,670
Interest expense – lease liabilities	81,302	85,935
Interest expense – provision for reinstatement costs	6,207	5,904
Amortisation of building fund	(535,397)	(550,542)
Coupons income	(193,829)	(36,614)
Dividends income	(6,165)	(883)
Interest income	(220)	–
Loss on disposal of assets	680	–
Unrealised loss on financial assets at FVPL	9,168	–
Realised loss on financial assets at FVPL	43,948	1,879
Unrealised (gain)/loss on financial assets at FVPL	(165,104)	133,788
Operating cash flows before changes in working capital	2,593,590	2,616,170
Changes in working capital		
Increase in prepayments	(12,127)	(24,256)
Increase in other debtors and deposits	(37,341)	(54,722)
Increase/(decrease) in creditors and accruals	318,584	(59,225)
Net cash flows from operating activities	2,862,706	2,477,967
Cash flows from investing activities		
Purchase of property, plant, and equipment	(13,529)	(5,099)
Interest received	225,104	50,007
Coupons received	193,829	36,614
Dividends received	6,165	883
Movement in short-term deposits greater than 3 months	(11,378)	(11,316)
Financial assets at FVPL	(2,038,582)	(5,390,915)
Proceeds from sale of financial assets at FVPL	1,110,422	225,541
Net cash flows used in investing activities	(527,969)	(5,094,285)
Cash flows from financing activities		
Receipts from lease receivable	98,266	98,266
Repayment of principal portion of lease liabilities	(104,899)	(100,266)
Payment of interest expense on lease liabilities	(81,302)	(85,935)
Net cash flows used in financing activities	(87,935)	(87,935)

Caritas Singapore Community Council Limited

Statement of cash flows (cont'd)
For the financial year ended 30 September 2023

	2023	2022
	\$	\$
Net increase/(decrease) in cash and cash equivalents	2,246,802	(2,704,253)
Effect of exchange rate changes on cash and cash equivalents	(8,995)	-
Cash and cash equivalents at the beginning of the financial year (Note 15)	18,791,289	21,495,542
Cash and cash equivalents at the end of the financial year (Note 15)	21,029,096	18,791,289

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

1. General information

Caritas Singapore Community Council Limited (the “Council”) is a company limited by guarantee and registered charity under the Companies Act 1967. The Council was initially registered as the Catholic Social and Community Council Limited under the Charities Act 1994 in Singapore (Registration No: 02022). The registered office is at 7A Lorong 8 Toa Payoh #04-01 Agape Village Singapore 319264.

The Council has established the Caritas Singapore Agape Fund (Agape Fund), a trust fund governed by a board of ten trustees. The fund was also registered under the Charities Act 1994 in Singapore (Unique Entity No: T06CC2001K) and it was granted the status of an Institutions of a Public Character until 31 March 2025, subject to renewal. The objectives of the fund are in line with that of the Council.

The principal activities of the Council are to provide the overall leadership to the various charitable organisations under the Archdiocese which assist in the relief of poverty and provide support to needy beneficiaries regardless of age, sex, nationality, religion or moral character. The Council is the official social and community arm of the Archdiocese to fulfil the Church’s social mission for the benefit of the broader community.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Council have been prepared in accordance with Financial Reporting Standards in Singapore (“FRSs”). They are also subjected to the provisions of the Charities Act 1994 and of the Companies Act 1967.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (SGD or \$), which is also the Council’s functional currency.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Council and are effective for annual financial periods beginning on or after 1 October 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Council.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Council has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
FRS 117 Insurance Contracts	1 January 2023
Amendments to FRS 116 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 *Functional currency*

The Council has determined the currency of the primary economic environment in which the Council operates i.e. functional currency, to be SGD. Incoming resources and resources expended are primarily influenced by fluctuations in SGD.

2.5 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

An entity allocates the amount initially recognised in respect of an item of PPE to its significant parts and depreciates separately each significant part if those parts have different useful lives. These parts of some items of PPE may require replacement at regular intervals. The entity capitalises the cost of the replacements when (i) it is probable that future economic benefits associated with the item will flow to the entity; and (ii) the cost of the item can be reliably measured. The carrying amount of the replaced parts is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

2. Summary of significant accounting policies (cont'd)

2.5 Property, plant and equipment (cont'd)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Years
Computer equipment and software	– 1 to 3
Office equipment and furniture	– 5
Leasehold improvements	– 10 to 28
Agape Village Building	– 26

Agape Village Building was completed end June 2015 and obtained Temporary Occupation Permit on 24 July 2015 and is depreciated over the life of lease of the land.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

Where functional items of property, plant and equipment have been donated, they are included in the balance sheet at their fair value at the date of the gifting and also included in the statement of financial activities as an incoming resource.

2.6 Impairment of non-financial assets

The Council assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Council makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in statement of financial activities.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Council measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of financial activities.

Trade receivables are measured at the amount of consideration to which the Council expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Council's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL.

Debt instruments at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of financial activities when the assets are derecognised or impaired, and through the amortisation process.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of financial activities. Net gains and losses, including any interest or dividend income, are recognised in surplus or deficit.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in statement of financial activities.

2. Summary of significant accounting policies (cont'd)

2.7 Financial instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Council becomes a party to the contractual provisions of the financial instrument. The Council determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of financial activities.

2.8 Impairment of financial assets

The Council recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (cont'd)

2.10 Provisions

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants shall be recognised in the statement of financial activities on a systematic basis over the periods in which the Council recognises as expenses the related costs for which the grants are intended to compensate.

2.12 Deferred income

Income received is recognised at fair value where there is reasonable assurance that the income will be received and all attaching conditions will be complied with. Income received in advance or subject to donor-imposed conditions that specify a future time period in which the expenditure of corresponding resources can take place is recorded as deferred income.

2.13 Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) Short-term employee benefits

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

2. Summary of significant accounting policies (cont'd)

2.14 Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Council applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Council recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Council recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Council's right-of-use assets are presented in Note 17.

Lease liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Council and payments of penalties for terminating the lease, if the lease term reflects the Council exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Council's lease liabilities are presented in Note 17.

2. Summary of significant accounting policies (cont'd)

2.14 Leases (cont'd)

(b) As lessor

Leases in which the Council does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases where the Council has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and disclosed as lease receivables. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in statement of financial activities on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

2.15 Incoming resources from generated funds

All incoming resources are recognised to the extent that it is probable that the economic benefits will flow to the Council and the amount can be reliably measured. No amounts are included for services donated by volunteers. Incoming resources from generated funds comprise:

Voluntary income

(a) Donations

Such income is recognised when received. Income received is recognised at fair value where there is reasonable assurance that the income will be received and all attaching conditions will be complied with. All income is demarcated between the Council's General Fund and the Agape Fund. The Agape Fund is registered as an IPC and thus donations requiring tax exemption are credited into the Agape Fund. Non tax-exempt donations are credited to the General Fund.

(b) Membership subscriptions

Such income is recognised on an accrual basis over the life of the subscriptions.

2. Summary of significant accounting policies (cont'd)

2.15 Incoming resources from generated funds (cont'd)

Voluntary income (cont'd)

(c) Gifts-in-kind

Gifts-in-kind are recognised based on an estimate of the fair value at the date of the receipt of the donation of the non-monetary asset or the grant of a right to a monetary asset. The donation is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

Activities for generating funds

Proceeds from such activities are recognised in the period in which the event takes place. Any sales of merchandise are accounted for when the transaction occurs.

Interest income

Interest income is accounted for on accrual basis using the effective interest method.

2.16 Incoming resources from charitable activities

This income arises from activities such as talks, seminars and conferences undertaken by the Council in furtherance of its charitable objectives. Proceeds from such activities are recognised in the period in which the event takes place.

2.17 Resources expended

Expenditure is accounted for on accrual basis. Allocations of support costs are based on payroll costs of time spent by staff, or direct expenditure and activity levels, as appropriate. Resources expended comprise:

Costs of generating voluntary income

The costs of generating voluntary income are those costs attributable to generating income for the Council, including salaries and directly attributable overheads such as the costs of producing advertising and direct mail materials.

Costs of activities for generating funds

These costs include the direct cost of hosting such activities and all directly attributable overheads. No value is ascribed to goods donated for re-sale or for auction.

Costs of charitable activities

The charitable activities of the Council flow from its vision and purpose. The primary charitable activities are grants given to member organisations to part finance their operational expenditure and programmes and also to parishes to fund charitable projects which are directed to the poor and those in need in the community.

The Council's charitable activities of awarding grants are distributed through a formal grant making process by the Finance and Grants Committee, which reviews and recommends such grants for the approval by the Board of the Council and thereafter the Board of Trustees for any application of funds from the Agape Fund.

2. Summary of significant accounting policies (cont'd)

2.17 Resources expended (cont'd)

Costs of charitable activities (cont'd)

The Council's Finance and Grants Committee also reviews and evaluates all funding requests from parishes and their proposed charitable works. The Board of the Council reviews and approves the Committee's recommendations of the grants before they are disbursed in full to the parishes.

Grants to member organisations which have IPC status are applied from the Agape Fund. All other grants are applied from the General Fund. The grants are disbursed in tranches, at the discretion of the Council, to take into account the cash flow requirements of the member organisations.

Grant expenditure is charged to the statement of financial activities immediately from the point of the award being made, as evidenced by the grant agreement entered into between the Council and the grantee.

Governance costs

Governance costs are those incurred in compliance with constitutional and statutory requirements including related professional fees.

Support costs

Support costs are those costs incurred in support of fundraising activities and the awarding and payment of grants. These are an integral cost of carrying out the direct charitable objectives of the organisation. The details of support costs in the statement of financial activities are disclosed in Note 10.

2.18 Funds accounting

The funds held by the Council are:

- General Funds are funds that can be used in accordance with the charitable objectives of the Council. Such funds are either unrestricted or restricted. The restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose. Currently, there are one restricted funds, the Capacity Building Fund. The Capacity Building Fund is an expendable endowment fund established so that in the long term, the interest income generated from this fund would support the on-going operating needs of the Council. Non tax-exempt donations for the Capacity Building Fund are credited into the General Fund, and usage of the fund requires the approval of the Board of the Council.

2. Summary of significant accounting policies (cont'd)

2.18 Funds accounting (cont'd)

The funds held by the Council are:

- The Agape Fund is made up of tax-exempt donations that can be used in accordance with the charitable objectives of the Council. The Agape Fund also has both unrestricted and restricted funds, the latter which includes the Capacity Building Fund and the St. Jude Fund. Tax-exempt donations for the Capacity Building Fund are credited into the Agape Fund and usage of the fund requires the approval of the Board of the Council and the Board of Trustees. The St. Jude Fund was created in November 2010 for restricted donations made by donors crossing more than one fiscal year. Tax-exempt donations for the St. Jude Fund are also credited into the Agape Fund and usage of the fund is according to the intent of the donor. The first major donor of the St. Jude Fund, who wishes to remain anonymous, contributed a sum of \$500,000 for grants to be made to various member organisations over a period of ten years starting in FY2011.
- The Agape Village Building Fund is a restricted designated sub-fund set up under the Agape Fund for donations with tax-exempt receipts. The usage of the tax-exempt donations under the Agape Fund requires the approval of the Board of the Council and the Board of Trustees. The Agape Village Building Fund is designated primarily to fund the construction and operations of Agape Village at Lorong 8 Toa Payoh on a 3,000 square metre piece of land owned by the Titular Roman Catholic Archdiocese of Singapore.

The one-stop Catholic Services hub is where people in need can connect to the 24 charities and services under its umbrella to help those in need, regardless of race, language or religion. It will also bring together the common services of our Catholic charities under one roof – integrated case management, counselling, legal aid, medical aid, care-giver support, skills training and job matching for displaced workers and professionals, mentoring and life skills, coaching for the poor and marginalised in our society.

The Agape Village Building Fund will be reduced over the useful life of the asset in line with its depreciation.

- The Sinking Fund is restricted designated sub-fund set up under the Agape Fund for donations with tax-exempt receipts. The usage of the tax-exempt donations under the Agape Fund requires the approval of the Board of the Council and the Board of Trustees. The Sinking Fund is designated primarily to fund expenditure relating to maintenance, repair and improvement works at Agape Village.

2.19 Related parties

A related party includes the trustees/office bearers (that is, directors) and key management of the Council. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel of close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

2. Summary of significant accounting policies (cont'd)

2.20 Current tax

Under Section 13U (1) of the Income Tax Act, all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule. In other words, they do not need to file income tax returns.

3. Significant accounting estimates, assumptions and judgements

The preparation of the Council financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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

Caritas Singapore Community Council Limited

Notes to the financial statements

For the financial year ended 30 September 2023

4. Incoming resources from generating funds

Voluntary income

	General Fund			Agape Fund				Total	Total
	Unrestricted	Restricted/ Endowment	Total	Unrestricted	Restricted/ Endowment	Agape Village Building Fund	Sinking Fund		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2023									
Donations	2,134,050	–	2,134,050	10,321,049	–	–	–	10,321,049	12,455,099
	2,134,050	–	2,134,050	10,321,049	–	–	–	10,321,049	12,455,099
2022									
Donations	1,398,714	–	1,398,714	10,564,411	–	–	–	10,564,411	11,963,125
	1,398,714	–	1,398,714	10,564,411	–	–	–	10,564,411	11,963,125

Included in donations is an amount of \$10,321,049 (2022: \$10,564,411) for Agape Fund for which tax-exempt receipts have been issued. There are no tax-exempt receipts issued for Agape Village Building Fund for both financial years 2023 and 2022 and Sinking Fund for financial year 2023.

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

5. Incoming resources from charitable activities

	General Fund Unrestricted \$	Agape Fund Unrestricted \$	Total Unrestricted \$
2023			
Agape village rental	-	608,104	608,104
Office rental	76,191	-	76,191
Personal moral compass /CST	10,195	-	10,195
Government grant	38,104	198,653	236,757
Others	8,279	7,373	15,652
	132,769	814,130	946,899
2022			
Agape village rental	-	445,032	445,032
Office rental	63,109	-	63,109
Personal moral compass /CST	22,340	-	22,340
Government grant	3,925	29,258	33,183
Others	19,971	20,939	40,910
	109,345	495,229	604,574

In current year, the government grant relates to grant from National Council of Social Service for funding of technology related development projects. In prior year, the government grant income relates to Job Support Scheme and Foreign Worker Levy Rebate which is introduced by the Singapore Government in Budget 2022.

6. Costs of generating voluntary income

	General Fund Unrestricted \$	Agape Fund Unrestricted \$	Total Unrestricted \$
2023			
Direct costs	57,096	243,409	300,505
Support costs (Note 10)	36,656	156,270	192,926
	93,752	399,679	493,431
2022			
Direct costs	30,893	131,703	162,596
Support costs (Note 10)	34,205	145,819	180,024
	65,098	277,522	342,620

Caritas Singapore Community Council Limited

Notes to the financial statements

For the financial year ended 30 September 2023

7. Costs of charitable activities

	General Fund			Agape Fund					Total
	Unrestricted	Restricted/ Endowment	Total	Unrestricted	Restricted/ Endowment	Agape Village Building Fund	Sinking Fund	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2023									
Formation expenditure									
- Direct costs	32,524	-	32,524	-	-	-	-	-	32,524
- Support costs (Note 10)	250,804	-	250,804	-	-	-	-	-	250,804
Grant and other charitable activities expenditure									
- Direct costs	-	-	-	686,202	-	-	195,800	882,002	882,002
- Support costs (Note 10)	-	-	-	1,157,558	-	-	-	1,157,558	1,157,558
- Staff costs	-	-	-	434,196	-	-	-	434,196	434,196
- Grant expenditure (Note 8)	824,869	-	824,869	6,620,716	-	-	-	6,620,716	7,445,585
	1,108,197	-	1,108,197	8,898,672	-	-	195,800	9,094,472	10,202,669

Caritas Singapore Community Council Limited

Notes to the financial statements

For the financial year ended 30 September 2023

7. Costs of charitable activities (cont'd)

	General Fund			Agape Fund					Total
	Unrestricted	Restricted/ Endowment	Total	Unrestricted	Restricted/ Endowment	Agape Village Building Fund	Sinking Fund	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2022									
Formation expenditure									
- Direct costs	15,901	—	15,901	—	—	—	—	—	15,901
- Support costs (Note 10)	234,031	—	234,031	—	—	—	—	—	234,031
Grant and other charitable activities expenditure									
- Direct costs	—	—	—	529,727	—	—	—	529,727	529,727
- Support costs (Note 10)	—	—	—	1,080,144	—	—	—	1,080,144	1,080,144
- Staff costs	—	—	—	384,129	—	—	—	384,129	384,129
- Grant expenditure (Note 8)	618,852	—	618,852	6,639,950	—	—	—	6,639,950	7,258,802
	868,784	—	868,784	8,633,950	—	—	—	8,633,950	9,502,734

Caritas Singapore Community Council Limited

Notes to the financial statements **For the financial year ended 30 September 2023**

8. Grant expenditure in furtherance of the Council's objects

The amounts incurred during the period relating to this expenditure are set out below:

	2023	2022
	\$	\$
Abilities Beyond Limitations and Expectations Ltd. (ABLE) ¹	750,000	750,000
ACMI Migrant Fund administrated by Archdiocesan Commission for the Pastoral Care of Migrants and Itinerant People (ACMI) ¹	699,400	804,400
Boys' Town ¹	950,000	950,000
Canossaville Children and Community Services ¹	510,850	366,000
Caritas Humanitarian Aid & Relief Initiatives (Singapore) Ltd (CHARIS) ²	343,390	152,898
Clarity Singapore Ltd. (CLARITY) ¹	215,000	180,000
Catholic AIDS Response Effort (CARE) ¹	160,000	120,000
Catholic Lawyers Guild (Singapore) ¹	19,000	25,000
Catholic Welfare Services, Singapore ¹	98,266	98,267
CFL Lumens Trust administered by Catholic Family Life Ltd. ¹	744,000	890,900
HopeHouse Ltd ¹	150,000	–
Infant Jesus Homes & Children's Centres (IJHCC) ¹	414,000	414,000
Mamre Oaks Ltd. ¹	150,000	400,000
Montfort Care ¹	1,166,200	1,047,383
Morning Star Community Services Ltd. (MSCS) ¹	594,000	594,000
Parishes ^{2,3}	281,479	265,954
Roman Catholic Prison Ministry (RCPM) ²	200,000	200,000
	7,445,585	7,258,802

¹ Grant funding for these affiliate member organisations of the Council are drawn from the Caritas Singapore Agape Fund.

² Grant funding for these affiliate member organisations of the Council are drawn from the General Fund.

³ The Council provided grants for 29 (2022: 32) parishes to fund the parishes' projects for the poor and those in need in the community. The following is a summary of the specific causes, as requested by the parishes, for which these grants have been given:

	2023	2022
	\$	\$
Aid programme to migrant workers	26,224	22,804
Financial assistance to individuals/families in crisis	111,514	77,459
Food vouchers/rations to the poor	11,172	22,405
Soup Kitchen/St Anthony's Bread programme	4,000	6,596
Others	128,569	136,690
	281,479	265,954

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

9. Governance costs

	Agape Fund Unrestricted	
	2023	2022
	\$	\$
Direct costs	73,185	71,746
Support costs (Note 10)	327,975	306,041
	401,160	377,787

Included in the direct costs are costs of preparing of financial reports, audit fees, board and committee costs.

10. Support costs

	Costs of generating funds	Costs of formation activities	Costs of charitable activities	Governance costs	Total support costs
	\$	\$	\$	\$	\$
2023					
Corporate resources	32,644	42,436	195,861	55,494	326,435
Finance	3,240	4,213	19,446	5,508	32,407
Human resources	146,986	191,082	881,913	249,877	1,469,858
Information technology	10,056	13,073	60,338	17,096	100,563
	192,926	250,804	1,157,558	327,975	1,929,263
2022					
Corporate resources	24,367	31,677	146,201	41,424	243,669
Finance	22	29	136	38	225
Human resources	142,913	185,787	857,477	242,952	1,429,129
Information technology	12,722	16,538	76,330	21,627	127,217
	180,024	234,031	1,080,144	306,041	1,800,240

11. Net incoming resources

Net incoming resources are stated after charging:

	2023	2022
	\$	\$
Net depreciation of property, plant and equipment (Note 12)	45,054	61,942

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

12. Property, plant and equipment

	Computer equipment and software \$	Donated assets \$	Office equipment and furniture \$	Leasehold improvements \$	Total \$	Agape Village Building \$	Grand Total \$
Cost:							
At 1 October 2021	581,459	6,898	790,269	307,545	1,686,171	14,620,497	16,306,668
Additions	—	—	5,099	—	5,099	—	5,099
Disposal	—	—	(792)	—	(792)	—	(792)
At 30 September 2022 and 1 October 2022	581,459	6,898	794,576	307,545	1,690,478	14,620,497	16,310,975
Additions	1,350	—	12,179	—	13,529	—	13,529
Disposal	(24,723)	(1,267)	(12,227)	—	(38,217)	—	(38,217)
At 30 September 2023	558,086	5,631	794,528	307,545	1,665,790	14,620,497	16,286,287
Accumulated depreciation:							
At 1 October 2021	558,118	6,898	761,582	240,908	1,567,506	3,436,483	5,003,989
Charge for the year	19,676	—	11,513	30,753	61,942	550,542	612,484
Disposal	—	—	(792)	—	(792)	—	(792)
At 30 September 2022 and 1 October 2022	577,794	6,898	772,303	271,661	1,628,656	3,987,025	5,615,681
Charge for the year	3,781	—	10,518	30,755	45,054	535,397	580,451
Disposal	(24,723)	(1,267)	(11,547)	—	(37,537)	—	(37,537)
At 30 September 2023	556,852	5,631	771,274	302,416	1,636,173	4,522,422	6,158,595
Carrying amount:							
At 30 September 2023	1,234	—	23,254	5,129	29,617	10,098,075	10,127,692
At 30 September 2022	3,665	—	22,273	35,884	61,822	10,633,472	10,695,294

12. Property, plant and equipment (cont'd)

In financial year 2015, the Council completed the construction of Agape Village building at Lorong 8 Toa Payoh at an estimated total cost of \$14,000,000 and received the Temporary Occupation Permit on 24 July 2015. Accordingly, the Council transferred the building cost from "Agape Building Asset under construction" to the "Agape Village Building" category. All expenses incurred in relation to the construction are capitalised to the building cost in accordance with the Council's capitalisation policy.

For financial year 2019, an amount of \$63,000 and \$250,000 is included in the leasehold improvements and Agape Village Building for the provision for reinstatement cost for Waterloo office and Agape Village Building, respectively.

On initial adoption of FRS 116 Leases on 1 October 2019, the cost for reinstatement cost and the accumulated depreciation were adjusted to opening funds.

Net depreciation charged to the statement of financial activities as cost of generating voluntary income are:

	2023	2022
	\$	\$
Depreciation for the year	580,451	612,484
Amortisation of Agape Village building fund (Note 20)	(535,397)	(550,542)
Net depreciation of property, plant and equipment	<u>45,054</u>	<u>61,942</u>

13. Prepayments

	2023	2022
	\$	\$
Prepayments (current):		
Insurance	11,374	10,696
License fee	6,973	7,857
Subscription fee	21,778	8,052
Telephone & Internet	15,955	15,797
Others	25,463	27,014
	<u>81,543</u>	<u>69,416</u>

Caritas Singapore Community Council Limited

Notes to the financial statements **For the financial year ended 30 September 2023**

14. Other debtors and deposits

	2023	2022
	\$	\$
Interest receivable	44,947	10,408
Interest receivables and other receivables relating to investment transactions	55,260	48,130
Other debtors and deposits	84,009	88,337
	<hr/>	<hr/>
Total other debtors and deposits	184,216	146,875
Add: Cash and short-term deposits (Note 15)	23,109,399	20,860,214
Add: Lease receivables (Note 17)	8,157	103,581
	<hr/>	<hr/>
Total financial assets at amortised cost	23,301,772	21,110,670
	<hr/>	<hr/>

Expected credit loss – other debtors and deposits

The Council assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Council measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

15. Cash and short-term deposits

	2023	2022
	\$	\$
Cash at banks and on hand	12,710,522	15,651,516
Short-term deposits	10,398,877	5,208,698
	<hr/>	<hr/>
	23,109,399	20,860,214
	<hr/>	<hr/>

At the reporting date, cash and cash equivalents for the Council include the cash at bank managed by fund manager of \$49,080 (2022: \$823,993).

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between six months and twelve months, depending on the immediate cash requirements of the Council, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate as at 30 September 2023 for the Council was 3.00% (2022: 0.77%).

For the purpose of the statement of cash flows, cash and cash equivalents comprises the following at the end of the reporting period:

	2023	2022
	\$	\$
Cash at banks and on hands	12,710,522	15,651,516
Short-term deposits	10,398,877	5,208,698
	<hr/>	<hr/>
	23,109,399	20,860,214
Less: short-term deposits greater than 3 months	(2,080,303)	(2,068,925)
	<hr/>	<hr/>
Cash and cash equivalents	21,029,096	18,791,289
	<hr/>	<hr/>

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

16. Creditors and accruals

	2023	2022
	\$	\$
Accruals and creditors	1,028,690	721,418
Deposits received	84,546	73,234
	<hr/>	<hr/>
Total financial liabilities carried at amortised cost	1,113,236	794,652
	<hr/>	<hr/>

Included in the accruals are the grants expenditure amounting to \$548,500 (2022: \$218,000) and staff related costs amounting to \$312,529 (2022: \$374,742).

17. Leases

Council as a lessee

The Council has lease contracts for land, office space and equipment. The Council's obligations under these leases are secured by the lessor's title to the leased assets.

Lease prepayment

The Council has entered into two term leases from 19 June 2013 with The Titular Catholic Archbishop of Singapore (TRCAS) at 55 Waterloo Street as follows:

- (1) Unit #07-01 and Unit #08-01 ending 18 February 2042. The Monthly Rent for the term was paid in advance by way of three (3) payments totalling \$3,351,960.
- (2) Unit #06-01 and #06-02 ending 10 November 2023. The Monthly Rent for the term was paid in advance by way of three (3) payments totalling \$576,671.

On initial adoption of FRS 116 Leases on 1 October 2019, the lease prepayment was adjusted to arrive at the right-of-use assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land	Office space	Equipment	Total
	\$	\$	\$	\$
As at 1 October 2021	859,355	3,098,022	45,620	4,002,997
Depreciation expense charge for the year	(43,147)	(152,362)	(14,161)	(209,670)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 September 2022 and 1 October 2022	816,208	2,945,660	31,459	3,793,327
Depreciation expense charge for the year	(43,147)	(152,362)	(14,161)	(209,670)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 September 2023	773,061	2,793,298	17,298	3,583,657
	<hr/>	<hr/>	<hr/>	<hr/>

Caritas Singapore Community Council Limited**Notes to the financial statements
For the financial year ended 30 September 2023**

17. Leases (cont'd)Council as a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	Total	2022
	\$		\$
As at beginning of financial year	1,684,694		1,784,960
Accretion of interest	81,302		85,935
Payment of lease liabilities	(186,201)		(186,201)
As at 30 September	1,579,795		1,684,694
Breakdown as:			
Current	67,956		104,899
Non-current	1,511,839		1,579,795

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

17. Leases (cont'd)

Council as a lessee (cont'd)

			<u>Non-cash changes</u>		
	1.10.2022	Cash flows	Accretion of	Others	30.9.2023
	\$	\$	interests	\$	\$
			\$		
Lease liabilities					
Current	104,899	(186,201)	81,302	67,956	67,956
Non-current	1,579,795	-	-	(67,956)	1,511,839
Total	1,684,694	(186,201)	81,302	-	1,579,795

			<u>Non-cash changes</u>		
	1.10.2021	Cash flows	Accretion of	Others	30.9.2022
	\$	\$	interests	\$	\$
			\$		
Lease liabilities					
Current	100,266	(186,201)	85,935	104,899	104,899
Non-current	1,684,694	-	-	(104,899)	1,579,795
Total	1,784,960	(186,201)	85,935	-	1,684,694

The 'Others' column relates to reclassification of non-current portion of lease liabilities due to passage of time.

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

17. Leases (cont'd)

Council as a lessee (cont'd)

The maturity analysis of lease liabilities is disclosed in Note 28.

The following are the amounts recognised in profit or loss:

	2023	2022
	\$	\$
Depreciation of right-of-use assets	209,670	209,670
Interest expense on lease liabilities	81,302	85,935
	<hr/>	<hr/>
	290,972	295,605
	<hr/>	<hr/>

Council as a lessor

The Council acts as a lessor under arrangement in which it leases out office space to certain member organisations and third parties for monthly lease payments. The lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as an operating lease. Income recognised during the financial year 2023 from leases of office space that are classified as operating lease was \$587,886 (2022: \$445,870).

The future minimum lease receivable under operating leases contracted for at the reporting period are as follows:

	2023	2022
	\$	\$
Not later than one year	499,825	291,111
Later than one year but not later than five years	374,389	174,857
	<hr/>	<hr/>
	874,214	465,968
	<hr/>	<hr/>

The Council's sub-lease of its right-of-use of the office space is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease. Right-of-use assets relating to the head leases with sub-leases classified as finance lease is derecognised. The net investment in the sub-lease is recognised under lease receivables. Income recognised during the financial year 2023 from leases of office space that are classified as finance lease was \$76,191 (2022: \$63,109).

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

17. Leases (cont'd)

Council as a lessor (cont'd)

	Office space	
	2023	2022
	\$	\$
Lease receivable:		
At beginning of financial year	103,581	194,614
Accretion of interest	2,842	7,233
Reduction of lease receivable as grant expenditure	(98,266)	(98,266)
At 30 September	8,157	103,581
Breakdown as:		
Current	8,157	95,424
Non-current	-	8,157

Finance income on the net investment in sub-lease during the financial year is \$2,842 (2022: \$7,233).

The maturity analysis of the undiscounted lease payments to be received is shown in Note 28.

18. Financial assets at fair value through profit or loss

	2023	2022
	\$	\$
Current:		
Financial assets at fair value through profit or loss	6,078,850	5,029,707
As at the reporting date, the financial assets at fair value through profit or loss comprised the following assets:		
	2023	2022
	\$	\$
Fixed income investments (a)	5,376,220	4,601,121
Equity securities	703,431	434,107
Forward foreign exchange contracts (b)	(801)	(5,521)
Financial assets at fair value through profit or loss in the statement of financial position	6,078,850	5,029,707
Cash and cash equivalents (Note 15)	49,080	823,993
Interest receivables and other receivables relating to investment transaction (Note 14)	55,260	48,130
Financial assets at fair value through profit or loss in the portfolio statement	6,183,190	5,901,830

Caritas Singapore Community Council Limited

Notes to the financial statements **For the financial year ended 30 September 2023**

18. Financial assets at fair value through profit or loss (cont'd)

- (a) Fixed income investments comprise fixed rate debt securities managed by the fund manager with maturity dates ranging from 10 January 2023 to 10 September 2029.
- (b) Notional principal of the financial derivatives entered into to hedge the foreign currency risk on USD-denominated investments are as follows:

	2023	2022
	\$	\$
Forward foreign exchange contracts	269,042	169,330

The unrealised fair value loss from financial derivatives of \$801 (FY2022: \$5,521) is included in the investment expenditure – unrealised loss on investments at FVPL.

The Council's investments at fair value through profit or loss are denominated in the following currencies:

	2023	2022
	\$	\$
United States Dollars	510,498	137,571
Singapore Dollars	5,376,220	4,794,207
Hong Kong Dollars	80,479	31,515
Japanese Yen	49,094	–
Euro	11,305	25,463
Danish Krone	27,685	15,992
Others	23,569	24,959
	6,078,850	5,029,707

19. Provision for reinstatement cost

A provision is recognised for reinstating the leases of land and office space to its original condition in accordance with the lease agreement. Assumptions used to calculate the provision were based on current information available and to the best knowledge and experience of the management.

Movements in the provision for reinstatement cost were as follows:

	\$
As at 1 October 2021	115,091
Accretion of interest	5,904
As at 30 September 2022 and 1 October 2022	120,995
Accretion of interest	6,207
As at 30 September 2023	127,202

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

20. Restricted and expendable endowment funds

	Balance at beginning of the year \$	Incoming resources \$	Resources expended \$	Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities \$	Balance at end of the year \$
2023					
General Fund					
<i>Capacity Building Fund</i> ²	345,836	-	-	-	345,836
	345,836	-	-	-	345,836
Agape Fund					
<i>St. Jude Fund</i> ¹	75,000	-	-	-	75,000
<i>Capacity Building Fund</i> ²	223,340	-	-	-	223,340
<i>Agape Village Building Fund (Note 22)</i>	10,633,472	-	-	(535,397)	10,098,075
<i>Sinking fund</i>	1,650,754	-	(195,800)	-	1,454,954
	12,582,566	-	(195,800)	(535,397)	11,851,369
Total restricted and expendable endowment funds	12,928,402	-	(195,800)	(535,397)	12,197,205
Total unrestricted funds (Note 21)	25,169,671	14,028,490	(11,042,085)	-	28,156,076
Total funds	38,098,073	14,028,490	(11,237,885)	(535,397)	40,353,281

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

20. Restricted and expendable endowment funds (cont'd)

	Balance at beginning of the year \$	Incoming resources \$	Resources expended \$	Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities \$	Balance at end of the year \$
2022					
General Fund					
Capacity Building Fund ²	345,836	—	—	—	345,836
	345,836	—	—	—	345,836
Agape Fund					
St. Jude Fund ¹	75,000	—	—	—	75,000
Capacity Building Fund ²	223,340	—	—	—	223,340
Agape Village Building Fund (Note 22)	11,184,014	—	—	(550,542)	10,633,472
Sinking fund	1,650,754	—	—	—	1,650,754
	13,133,108	—	—	(550,542)	12,582,566
Total restricted and expendable endowment funds	13,478,944	—	—	(550,542)	12,928,402
Total unrestricted funds (Note 21)	22,957,882	12,662,436	(10,450,647)	—	25,169,671
Total funds	36,436,826	12,662,436	(10,450,647)	(550,542)	38,098,073

¹ The Funds were raised for the needs of the member organisations or as specified by the donors.

² The Capacity Building Fund is an expendable endowment fund established by the Council that seeks to fund, in the long term, the operating needs of the Council.

Caritas Singapore Community Council Limited

Notes to the financial statements **For the financial year ended 30 September 2023**

20. Restricted and expendable endowment funds (cont'd)

In financial year 2015, the Council completed the construction of Agape Village building at Lorong 8 Toa Payoh where donations raised were placed in the designated Agape Building Fund. Accordingly, the Agape Village Building Fund is amortised and net off against the corresponding depreciation of the building in the statement of financial activities (Note 12).

Movements of the Agape Village Building fund are disclosed as follows:

	2023 \$	2022 \$
Agape Village Building Fund:		
Balance at beginning and end of the year	14,680,501	14,680,501
Amortisation:		
Balance at the beginning of the year	(4,047,029)	(3,496,487)
Amortisation for the year (Note 12)	(535,397)	(550,542)
Balance at the end of the year	(4,582,426)	(4,047,029)
Net balance at the end of the year	10,098,075	10,633,472

21. Unrestricted funds

	Balance at beginning of the year \$	Incoming resources \$	Resources expended \$	Balance at end of the year \$
2023				
General Fund	1,631,757	2,315,688	(1,209,086)	2,738,359
Agape Fund	23,537,914	11,712,802	(9,832,999)	25,417,717
Total	25,169,671	14,028,490	(11,042,085)	28,156,076
2022				
General Fund	1,055,671	1,517,377	(941,291)	1,631,757
Agape Fund	21,902,211	11,145,059	(9,509,356)	23,537,914
Total	22,957,882	12,662,436	(10,450,647)	25,169,671

22. Agape Village Building Fund

The Agape Building Fund is a restricted designated sub-fund set up under the Agape Fund for donations with tax-exempt receipts. The usage of the tax-exempt donations under the Agape Fund requires the approval of the Board of the Council and the Board of Trustees. The Agape Building Fund has been designated primarily to fund the construction and operations of Agape Village at Lorong 8 Toa Payoh on a 3,000 square metre piece of land owned by the Titular Roman Catholic Archdiocese of Singapore.

The Council intends to create a new one-stop Catholic Services hub where people in need can connect to the charities and services under its umbrella to help those in need, regardless of race, language or religion. It will also bring together the common services of our Catholic charities under one roof – integrated case management, counselling, legal aid, medical aid, care-giver support, skills training and job matching for displaced workers and professionals, mentoring and life skills, coaching for the poor and marginalised in our society.

The Council completed the construction of Agape Village end June 2015 at total cost of \$14,000,000 (including contingencies) and received the Temporary Occupation Permit on 24 July 2015.

23. Trustees'/Directors' remuneration

No Trustee or Director has received any remuneration from the Council or Agape Fund during the year and neither has received reimbursements for expenses incurred in attending Board, committee or Trustee meetings.

24. Related party transactions

The following significant transactions took place during the year:

	2023	2022
	\$	\$
Grant expenditure (Note 8):		
ACMI*	699,400	–
Canossaville Children & Community Services	510,850	366,000
Catholic Lawyers Guild	19,000	25,000
	<hr/>	<hr/>

* *Not a related party in 2022*

These organisations are related parties to the Council in the financial years due to common directors.

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2023

25. Employee benefits

	General Fund Unrestricted	Agape Fund Unrestricted	Total
	\$	\$	\$
2023			
Salaries and leave accruals	210,159	895,940	1,106,099
Central provident fund contributions	30,862	131,568	162,430
Other short-term benefits	38,251	163,078	201,329
	279,272	1,190,586	1,469,858
2022			
Salaries and leave accruals	197,765	843,101	1,040,866
Central provident fund contributions	27,974	119,259	147,233
Other short-term benefits	45,796	195,234	241,030
	271,535	1,157,594	1,429,129

26. Compensation of key management personnel

	2023	2022
	\$	\$
Salaries, bonus and other benefits-in-kind	267,684	312,791
Central provident funds contributions	21,479	20,568
	289,163	333,359

Included in the amounts were compensation related to the top 1 executive (2022: 2 executives) whose emoluments above \$100,000.

27. Taxation

The Council is exempted from income tax under Section 13(1) (zm) of the Income Tax Act, Cap. 134.

28. Financial risk management objectives and policies

The Council's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the Council's operations. The Council has various other financial assets and liabilities such as other receivables and other creditors and accruals, which arise directly from its operations.

Due to the nature of the Council's activities, it has minimal financial risks exposure. The Finance and Investment Committee provides oversight of the Council's overall risk management and it recommends to the Board of the Council the overall policy pertaining to the Council's cash management and investment. The Council's Directors review and agree to policies for managing each of these risks and they are summarised below:

(a) ***Interest rate risk***

The Council's exposure to interest rate risk arises primarily from the Council's cash and cash equivalents.

The Council's policy is to obtain the most favourable interest rates available.

Information relating to the Council's interest rate exposure is also disclosed in the respective notes to the financial statements where applicable. Sensitivity analysis of the interest rate exposure is not significant.

(b) ***Credit risk***

Credit risk is the risk of financial loss to the Council if a counterparty to a financial instrument fails to meet its contractual obligations.

The Council's principal financial instruments comprise financial assets at fair value through profit or loss and cash and cash equivalents and these are placed with financial institutions of high credit standing and regulated.

28. Financial risk management objectives and policies (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting financial obligations due to shortage of funds. The Council's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Council's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	2023		2022	
	1 year or less \$	More than 1 year \$	1 year or less \$	More than 1 year \$
Financial assets				
Other debtors and deposits	184,216	-	146,875	-
Lease receivables	8,189	-	98,266	8,189
Financial assets at FVPL	6,078,850	-	5,029,707	-
Cash and short-term deposits	23,109,399	-	20,860,214	-
	29,380,654	-	26,135,062	8,189
Financial liabilities				
Creditors and accruals	1,113,236	-	794,652	-
Lease liabilities	145,159	2,251,219	186,201	2,396,378
	1,258,395	2,251,219	980,853	2,396,378
Total net undiscounted financial	28,122,259	(2,251,219)	25,154,209	(2,388,189)

The Council monitors and maintains a level of cash and cash equivalents deemed adequate by the Directors to finance the Council's operations and mitigate the effects of fluctuations in cash flows.

28. Financial risk management objectives and policies (cont'd)

(d) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Council's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Council's exposure to changes in market prices relates primarily to the financial assets at fair value through profit or loss.

The Council's objective is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. It is the Council's policy to achieve an appropriate diversification in its investment portfolio in order to mitigate such risk.

At the reporting date, if market prices for the financial assets at fair value through profit or loss had declined by 10%, assuming all other variables remain constant, the Council's surplus/ reserve for the financial year would decrease by approximately \$608,000 (2022: \$503,000). An increase in 10% of the market prices would have an equal but opposite effect. The above sensitivity analysis is inclusive of decrease/increase in the net fair value loss/ gains for financial derivatives.

Derivatives are financial contracts whose values are derived from the value of underlying assets. Forwards contracts used for hedging purposes to manage portfolio risk and for efficient portfolio management to improve risk-adjusted performance.

The Investment Guideline and Mandate detail the permissible financial instruments and their risk limits. Ongoing monitoring and reporting are undertaken by the Investment Committee to ensure that investment activities are in accordance with the investment guidelines.

29. Fair value of financial instruments

(a) *Fair value hierarchy*

The Council categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Council can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Council has determined that the carrying amounts of financial assets and liabilities are reasonable approximation of their fair values as they are mostly short-term in nature.

29. Fair value of financial instruments (cont'd)

(b) *Assets measured at fair value*

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

	2023			
	Fair value measurements at the reporting date using			Total \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant observable inputs other than quoted prices (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Financial assets:				
At fair value through profit or loss (Note 18)	6,078,850	—	—	6,078,850
<hr/>				
	2022			
	Fair value measurements at the reporting date using			Total \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant observable inputs other than quoted prices (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Financial assets:				
At fair value through profit or loss (Note 18)	5,029,707	—	—	5,029,707

(c) *Assets and liabilities not measured at fair value*

Cash and short-term deposits, and creditors and accruals

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

30. Reserves management

The reserves of the Council comprise the General Fund and the Agape Fund. The Council targets a general reserve level of two years, taking into account that the grant making function represents the majority of its expenditure, and the lag period between member organisations' budgetary needs and the inflow from current year's fundraising activities.


31. Authorisation of financial statements for issue


The financial statements for the financial year ended 30 September 2023 were authorised for issue in accordance with a resolution of the Directors on 11 January 2024.



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