

TOGETHER AS **ONE BODY**

FINANCIAL REPORT 2021



Unique Entity Number 200613504D

Caritas Singapore Community Council Limited

Annual Financial Statements
30 September 2021



Caritas Singapore Community Council Limited

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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 2021.

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 cash flow statement 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 2021, 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:

Tan Cheng Han	(Chairman)
Agnes Liew	
Alan Lim	
Fr. Christopher Soh, SJ	
Rev Monsignor John-Paul Tan, OFM, JCL	
Jeremy Khoo	
Ong Hoon Meng	
Peggy Yee	
Pius Lee	
Rev. Monsignor Ambrose Vaz	
Sr. Wendy Ooi, FSP	
Lum Hon Fye	(Appointed on 1 January 2021)
Perlita G	(Appointed on 1 January 2021)
Theresa Foo	(Appointed on 1 January 2021)
Francis Wan	(Appointed on 1 January 2021)
Gerard Teo	(Appointed on 1 January 2021)

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, Chapter 50.

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.

Caritas Singapore Community Council Limited

Directors' statement

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 have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors



Tan Cheng Han
Director



Agnes Liew
Director

17 December 2021

Caritas Singapore Community Council Limited

Independent auditor's report For the financial year ended 30 September 2021

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 2021, the statement of financial activities, statement of changes in funds and cash flow statement 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, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 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 2021 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 2021

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

Responsibilities of management and directors 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.

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.
- 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.

Caritas Singapore Community Council Limited

**Independent auditor's report
For the financial year ended 30 September 2021**

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)

- 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 monies 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

17 December 2021

Caritas Singapore Community Council Limited

Statement of financial activities
For the financial year ended 30 September 2021

	Note	General Fund		Agape Fund			Total 2021 \$	
		Unrestricted Fund 2021 \$	Restricted Fund 2021 \$	Unrestricted Fund 2021 \$	Restricted Fund 2021 \$	Agape Village Building Fund 2021 \$		Sinking Fund 2021 \$
Incoming resources								
<i>Incoming resources from generated funds</i>								
Voluntary income	4a	1,128,222	–	10,115,776	–	–	–	11,243,998
Activities for generating funds	4b	–	–	–	–	–	–	–
Interest income – financial institution		8,981	–	38,288	–	–	–	47,269
Interest income – lease receivable	17	–	–	11,422	–	–	–	11,422
<i>Incoming resources from charitable activities</i>								
Other incoming resources	5	163,860	–	954,179	–	–	–	1,118,039
Total incoming resources		1,301,063	–	11,119,665	–	–	–	12,420,728
Resources expended								
<i>Costs of generating funds</i>								
Costs of generating voluntary income	6a	38,953	–	166,063	–	–	–	205,016
Costs of activities for generating funds	6b	–	–	–	–	–	–	–
Total costs of generating funds		38,953	–	166,063	–	–	–	205,016
Net incoming resources available for charitable application		1,262,110	–	10,953,602	–	–	–	12,215,712

Caritas Singapore Community Council Limited

Statement of financial activities (cont'd)
For the financial year ended 30 September 2021

	Note	General Fund		Agape Fund			Total 2021 \$	
		Unrestricted Fund 2021 \$	Restricted Fund 2021 \$	Unrestricted Fund 2021 \$	Restricted Fund 2021 \$	Agape Village Building Fund 2021 \$		Sinking Fund 2021 \$
Net incoming resources available for charitable application		1,262,110	–	10,953,602	–	–	–	12,215,712
Cost of charitable activities	7	716,722	–	8,636,128	–	–	–	9,352,850
Governance costs	9	–	–	368,427	–	–	–	368,427
		716,722	–	9,004,555	–	–	–	9,721,277
Interest expense – lease liabilities	17	7,382	–	82,907	–	–	–	90,289
Interest expense – provision for reinstatement costs	18	211	–	5,404	–	–	–	5,615
Total resources expended		763,268	–	9,258,929	–	–	–	10,022,197
Net incoming resources, representing total comprehensive income		537,795	–	1,860,736	–	–	–	2,398,531

Caritas Singapore Community Council Limited

Statement of financial activities (cont'd)
For the financial year ended 30 September 2021

	Note	General Fund		Agape Fund			Total 2020 \$	
		Unrestricted Fund 2020 \$	Restricted Fund 2020	Unrestricted Fund 2020	Restricted Fund 2020 \$	Agape Village Building Fund 2020 \$		Sinking Fund 2020 \$
Incoming resources								
<i>Incoming resources from generated funds</i>								
Voluntary income	4a	1,203,960	–	10,509,959	–	–	–	11,713,919
Activities for generating funds	4b	–	–	–	–	–	–	–
Interest income – financial institution		17,711	–	75,506	–	–	–	93,217
Interest income – lease receivable	17	–	–	13,985	–	–	–	13,985
<i>Incoming resources from charitable activities</i>								
Other incoming resources	5	147,746	–	693,146	–	–	–	840,892
Total incoming resources		1,369,417	–	11,292,596	–	–	–	12,662,013
Resources expended								
<i>Costs of generating funds</i>								
Costs of generating voluntary income	6a	44,993	–	191,812	–	–	–	236,805
Costs of activities for generating funds	6b	–	–	–	–	–	–	–
Total costs of generating funds		44,993	–	191,812	–	–	–	236,805
Net incoming resources available for charitable application		1,324,424	–	11,100,784	–	–	–	12,425,208

Caritas Singapore Community Council Limited

Statement of financial activities (cont'd)
For the financial year ended 30 September 2021

	Note	General Fund		Agape Fund			Total 2020 \$	
		Unrestricted Fund 2020 \$	Restricted Fund 2020 \$	Unrestricted Fund 2020 \$	Restricted Fund 2020 \$	Agape Village Building Fund 2020 \$		Sinking Fund 2020 \$
Net incoming resources available for charitable application		1,324,424	–	11,100,784	–	–	–	12,425,208
Cost of charitable activities	7	1,316,678	–	9,782,641	20,000	–	–	11,119,319
Governance costs	9	–	–	368,616	–	–	–	368,616
		1,316,678	–	10,151,257	20,000	–	–	11,487,935
Interest expense – lease liabilities	17	6,846	–	78,893	–	–	–	85,739
Interest expense – provision for reinstatement costs	18	184	–	4,723	–	–	–	4,907
Total resources expended		1,368,701	–	10,426,685	20,000	–	–	11,815,386
Net incoming resources/(resources expended), representing total comprehensive income		716	–	865,911	(20,000)	–	–	846,627

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 2021**

	Note	General Fund 2021 \$	Agape Fund 2021 \$	Total 2021 \$
Non-current assets				
Property, plant and equipment	12	20,308	98,357	118,665
Agape Village Building	12	–	11,184,014	11,184,014
Right-of-use assets	17	591,822	3,411,175	4,002,997
Lease receivable	17	–	103,581	103,581
		612,130	14,797,127	15,409,257
Current assets				
Prepayments	13	6,610	38,550	45,160
Lease receivable	17	–	91,033	91,033
Other debtors and deposits	14	12,674	79,479	92,153
Cash and short-term deposits	15	1,252,365	22,300,786	23,553,151
		1,271,649	22,509,848	23,781,497
Non-current liabilities				
Provision for reinstatement cost	18	4,324	110,767	115,091
Lease liabilities	17	148,925	1,535,769	1,684,694
		153,249	1,646,536	1,799,785
Current liabilities				
Creditors and accruals	16	316,477	537,400	853,877
Lease liabilities	17	12,546	87,720	100,266
		329,023	625,120	954,143
Net current assets		942,626	21,884,728	22,827,354
Net assets		1,401,507	35,035,319	36,436,826
Funds				
General Fund				
Restricted fund	19	345,836	–	345,836
Unrestricted fund	20	1,055,671	–	1,055,671
		1,401,507	–	1,401,507
Agape Fund				
Restricted fund/expendable endowment fund	19	–	298,340	298,340
Unrestricted fund	20	–	21,902,211	21,902,211
Agape village building – restricted designated fund	19	–	11,184,014	11,184,014
Sinking fund	19	–	1,650,754	1,650,754
		–	35,035,319	35,035,319
Total funds		1,401,507	35,035,319	36,436,826

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

Caritas Singapore Community Council Limited

**Balance Sheet (cont'd)
As at 30 September 2021**

	Note	General Fund 2020 \$	Agape Fund 2020 \$	Total 2020 \$
Non-current assets				
Property, plant and equipment	12	26,942	128,506	155,448
Agape Village Building	12	–	11,734,556	11,734,556
Right-of-use assets	17	622,093	3,590,574	4,212,667
Lease receivable	17	–	194,615	194,615
		649,035	15,648,251	16,297,286
Current assets				
Prepayments	13	74	3,088	3,162
Lease receivable	17	–	86,844	86,844
Other debtors and deposits	14	6,930	79,974	86,904
Cash and short-term deposits	15	795,411	21,845,174	22,640,585
		802,415	22,015,080	22,817,495
Non-current liabilities				
Provision for reinstatement cost	18	4,113	105,363	109,476
Lease liabilities	17	146,376	1,638,584	1,784,960
		150,489	1,743,947	1,894,436
Current liabilities				
Creditors and accruals	16	431,998	2,103,598	2,535,596
Lease liabilities	17	5,251	90,661	95,912
		437,249	2,194,259	2,631,508
Net current assets		365,166	19,820,821	20,185,987
Net assets		863,712	33,725,125	34,588,837
Funds				
General Fund				
Restricted fund	19	345,836	–	345,836
Unrestricted fund	20	517,876	–	517,876
		863,712	–	863,712
Agape Fund				
Restricted fund/expendable endowment fund	19	–	298,340	298,340
Unrestricted fund	20	–	20,041,475	20,041,475
Agape village building – restricted designated fund	19	–	11,734,556	11,734,556
Sinking fund	19	–	1,650,754	1,650,754
		–	33,725,125	33,725,125
Total funds		863,712	33,725,125	34,588,837

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 2021**

	General Fund		Agape Fund				Total Funds \$
	Unrestricted Fund \$	Restricted Fund \$	Unrestricted Fund \$	Restricted Fund \$	Agape Village Building Fund \$	Sinking Fund \$	
2021							
At 1 October 2020	517,876	345,836	20,041,475	298,340	11,734,556	1,650,754	34,588,837
Net incoming resources	537,795	–	1,860,736	–	–	–	2,398,531
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	–	–	–	–	(550,542)	–	(550,542)
At 30 September 2021	1,055,671	345,836	21,902,211	298,340	11,184,014	1,650,754	36,436,826
2020							
At 1 October 2019	513,026	345,836	19,161,248	318,340	13,915,853	–	34,254,303
Effects of adopting FRS 116	4,134	–	14,316	–	30,351	–	48,801
Net incoming resources/ (resources expended)	716	–	865,911	(20,000)	–	–	846,627
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	–	–	–	–	(560,894)	–	(560,894)
Transfer of funds from Agape Village Building Fund to sinking fund	–	–	–	–	(1,650,754)	1,650,754	–
At 30 September 2020	517,876	345,836	20,041,475	298,340	11,734,556	1,650,754	34,588,837

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

Caritas Singapore Community Council Limited**Cash flow statement
For the financial year ended 30 September 2021**

	2021	2020
	\$	\$
Cash flows from operating activities		
Net incoming resources for the year	2,398,531	846,627
Adjustments:		
Interest income – financial institution	(47,269)	(93,217)
Interest income – lease receivable	(11,422)	(13,985)
Depreciation charge – property, plant, and equipment	612,845	779,967
Depreciation charge – right-of-use assets	209,670	202,472
Interest expense – lease liabilities	90,289	85,739
Interest expense – provision for reinstatement costs	5,615	4,907
Amortisation of building fund	(550,542)	(560,894)
Operating cash flows before changes in working capital	2,707,717	1,251,616
Changes in working capital		
(Increase)/decrease in prepayments	(41,998)	12,589
(Increase)/decrease in other debtors and deposits	(5,249)	2,117
Decrease in creditors and accruals	(1,681,719)	(939,242)
Net cash inflows from operating activities	978,751	327,080
Cash flows from investing activities		
Purchase of property, plant, and equipment	(25,520)	(64,160)
Interest received	47,269	93,217
Receipts from lease receivable	98,267	98,266
Movement in short-term deposits greater than 3 months	(17,390)	(40,219)
Net cash flows generated from investing activities	102,626	87,104
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(95,912)	(92,866)
Payment of interest expense on lease liabilities	(90,289)	(85,739)
Net cash flows used in financing activities	(186,201)	(178,605)
Net increase in cash and cash equivalents	895,176	235,579
Cash and cash equivalents at the beginning of the financial year (Note 15)	20,600,366	20,364,787
Cash and cash equivalents at the end of the financial year (Note 15)	21,495,542	20,600,366

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

Caritas Singapore Community Council Limited

Notes to the financial statements For the financial year ended 30 September 2021

1. General information

Caritas Singapore Community Council Limited (the "Council") is a company limited by guarantee and registered charity under the Companies Act, Chapter 50. The Council was initially registered as the Catholic Social and Community Council Limited under the Charities Act, Chapter 37, in Singapore (Registration No: 02022). The registered office is at 55 Waterloo Street, #08-01, Catholic Centre, Singapore 187954.

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, Chapter 37, in Singapore (Unique Entity No: T06CC2001K) and it was granted the status of an Institutions of a Public Character until 31 January 2023, 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, Chapter 37 and of the Companies Act, Chapter 50.

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 2020. 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 109 <i>Financial Instruments</i> , FRS 39 <i>Financial Instruments: Recognition and Measurement</i> , FRS 107 <i>Financial Instruments: Disclosures</i> , FRS 104 <i>Insurance Contracts</i> , FRS 116 <i>Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to FRS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 110 <i>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</i>	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

Investments in debt instruments

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. The Council only has 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.

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.

Caritas Singapore Community Council Limited

Notes to the financial statements For the financial year ended 30 September 2021

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 28 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 2021

4. Incoming resources from generating funds

(a) *Voluntary income*

	General Fund			Agape Fund				Total	Total
	Unrestricted \$	Restricted/ Endowment \$	Total \$	Unrestricted \$	Restricted/ Endowment \$	Agape Village Building Fund \$	Sinking Fund \$		
2021									
Donations	1,128,222	–	1,128,222	10,115,776	–	–	–	10,115,776	11,243,998
	1,128,222	–	1,128,222	10,115,776	–	–	–	10,115,776	11,243,998
2020									
Donations	1,203,960	–	1,203,960	10,509,959	–	–	–	10,509,959	11,713,919
	1,203,960	–	1,203,960	10,509,959	–	–	–	10,509,959	11,713,919

Included in donations is an amount of \$10,115,776 (2020: \$10,509,959) 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 2021 and 2020 and Sinking Fund for financial year 2021.

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2021

4. Incoming resources from generating funds (cont'd)

(b) *Activities for generating funds*

	General Fund			Agape Fund					
	Unrestricted \$	Restricted/ Endowment \$	Total \$	Unrestricted \$	Restricted/ Endowment \$	Agape Village Building Fund \$	Sinking Fund \$	Total \$	Total \$
2021 and 2020									
Caritas Charity Golf	-	-	-	-	-	-	-	-	-
Down Memory Lane	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

There are no activities for generating funds in financial year 2020 and 2021.

Included in the receipts is an amount of \$Nil for Agape Fund (2020: \$Nil) for which tax-exempt receipts have been issued. There are no tax-exempt receipts issued for Agape Village Building Fund for both financial years 2021 and 2020 and Sinking Fund for financial year 2021.

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

5. Incoming resources from charitable activities

	General Fund Unrestricted	Agape Fund Unrestricted	Total Unrestricted
	\$	\$	\$
2021			
Agape village rental	–	355,407	355,407
Office rental	61,272	–	61,272
Personal moral compass	31,586	–	31,586
Bicentennial Community Fund	–	400,000	400,000
Government grant	35,812	152,672	188,484
Others	35,190	46,100	81,290
	<u>163,860</u>	<u>954,179</u>	<u>1,118,039</u>
2020			
Agape village rental	–	448,915	448,915
Office rental	61,735	–	61,735
Personal moral compass	29,170	–	29,170
Government grant	49,592	212,916	262,508
Others	7,249	31,315	38,564
	<u>147,746</u>	<u>693,146</u>	<u>840,892</u>

The government grant income relates to Job Support Scheme and Foreign Worker Levy Rebate which is introduced by the Singapore Government in Budget 2021.

6. Costs of generating funds

(a) Costs of generating voluntary income

	General Fund Unrestricted	Agape Fund Unrestricted	Total Unrestricted
	\$	\$	\$
2021			
Direct costs	5,502	23,456	28,958
Support costs (Note 10)	33,451	142,607	176,058
	<u>38,953</u>	<u>166,063</u>	<u>205,016</u>
2020			
Direct costs	9,655	41,160	50,815
Support costs (Note 10)	35,338	150,652	185,990
	<u>44,993</u>	<u>191,812</u>	<u>236,805</u>

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

6. Costs of generating funds (cont'd)

(b) *Costs of activities for generating funds*

	General Fund Unrestricted \$	Agape Fund Unrestricted \$	Total Unrestricted \$
2021 and 2020			
Direct costs	—	—	—

There are no costs related to activities for generating funds in financial years 2020 and 2021.

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2021

7. Costs of charitable activities

	General Fund			Agape Fund				Total \$	Total \$
	Unrestricted \$	Restricted/ Endowment \$	Total \$	Unrestricted \$	Restricted/ Endowment \$	Agape Village Building Fund \$	Sinking Fund \$		
2021									
Formation expenditure									
- Direct costs	36,247	—	36,247	—	—	—	—	—	36,247
- Support costs (Note 10)	228,877	—	228,877	—	—	—	—	—	228,877
Grant and other charitable activities expenditure									
- Direct costs	—	—	—	501,967	—	—	—	501,967	501,967
- Support costs (Note 10)	—	—	—	1,056,353	—	—	—	1,056,353	1,056,353
- Staff costs	—	—	—	503,920	—	—	—	503,920	503,920
- Grant expenditure (Note 8)	451,598	—	451,598	6,573,888	—	—	—	6,573,888	7,025,486
	716,722	—	716,722	8,636,128	—	—	—	8,636,128	9,352,850

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2021

7. Costs of charitable activities (cont'd)

	General Fund			Agape Fund				Total	Total
	Unrestricted	Restricted/ Endowment	Total	Unrestricted	Restricted/ Endowment	Agape Village Building Fund	Sinking Fund		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2020									
Formation expenditure									
- Direct costs	15,205	–	15,205	–	–	–	–	–	15,205
- Support costs (Note 10)	241,788	–	241,788	–	–	–	–	–	241,788
Grant and other charitable activities expenditure									
- Direct costs	–	–	–	735,855	–	–	–	735,855	735,855
- Support costs (Note 10)	212,029	–	212,029	903,915	–	–	–	903,915	1,115,944
- Staff costs	–	–	–	543,925	–	–	–	543,925	543,925
- Grant expenditure (Note 8)	847,656	–	847,656	7,598,946	20,000	–	–	7,618,946	8,466,602
	1,316,678	–	1,316,678	9,782,641	20,000	–	–	9,802,641	11,119,319

Caritas Singapore Community Council Limited

Notes to the financial statements For the financial year ended 30 September 2021

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

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

	2021 \$	2020 \$
Abilities Beyond Limitations and Expectations (ABLE) ¹	850,000	750,000
Archdiocesan Commission for the Pastoral Care of Migrants and Itinerant People (ACMI) ¹	550,000	575,000
Assisi Hospice ³	–	10,000
Boys' Town Singapore ¹	950,000	1,000,000
Canossaville Children & Community Services ¹	366,000	366,000
Canossaville Children's Home (CCH) ³	–	10,000
Caritas Humanitarian Aid & Relief Initiatives, Singapore (CHARIS) ²	211,436	257,214
Catholic AIDS Response Effort (CARE) ¹	575,000	665,000
Catholic Lawyers Guild ¹	25,680	25,680
Catholic Welfare Services ¹	83,207	398,266
CLARITY Singapore Ltd (CLARITY) ¹	100,000	300,000
Catholic Family Life (FKA: Family Life Society (FLS)) ¹	867,000	867,000
Infant Jesus Homes & Children's Centres (IJHCC) ¹	414,000	450,000
Jesuit Refugee Service ²	–	62,000
Mamre Oaks ¹	400,000	435,000
Montfort Care ¹	799,000	900,000
Morning Star Community Services (MSCS) ¹	594,000	867,000
Parishes ^{2,4}	240,163	328,442
Roman Catholic Prison Ministry (RCPM) ²	–	200,000
	7,025,486	8,466,602

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

⁴ The Council provided grants for 32 (2020: 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:

	2021 \$	2020 \$
Aid programme to migrant workers	23,588	17,607
Financial assistance to individuals/families in crisis	113,962	183,775
Food vouchers/rations to the poor	15,814	4,880
Soup Kitchen/St Anthony's Bread programme	7,183	29,509
Others	79,616	92,671
	240,163	328,442

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

8. Grant expenditure in furtherance of the Council's objects (cont'd)

⁵ These grants include partial or whole donations credited to the St. Jude Fund as follows:

	2021	2020
	\$	\$
Agape Fund		
Assisi Hospice	–	10,000
Canossaville Children's Home	–	10,000
	–	20,000

9. Governance costs

	Agape Fund Unrestricted	
	2021	2020
	\$	\$
Direct costs	69,127	52,431
Support costs (Note 10)	299,300	316,185
	368,427	368,616

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
	\$	\$	\$	\$	\$
2021					
Finance	183	238	1,099	311	1,831
Information technology	7,670	9,971	46,019	13,039	76,699
Human resources	142,951	185,838	857,711	243,018	1,429,518
Corporate resources	25,254	32,830	151,524	42,932	252,540
	176,058	228,877	1,056,353	299,300	1,760,588

Caritas Singapore Community Council Limited

**Notes to the financial statements
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10. Support costs (cont'd)

	Costs of generating funds	Costs of formation activities	Costs of charitable activities	Governance costs	Total support costs
	\$	\$	\$	\$	\$
2020					
Finance	202	263	1,212	344	2,021
Information technology	11,094	14,423	66,568	18,861	110,946
Human resources	152,384	198,100	914,307	259,054	1,523,845
Corporate resources	22,310	29,002	133,857	37,926	223,095
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	185,990	241,788	1,115,944	316,185	1,859,907
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

11. Net incoming resources

Net incoming resources are stated after charging:

	2021	2020
	\$	\$
Net depreciation of property, plant and equipment (Note 12)	62,303	219,073
Rental expense	–	6,350
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Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2021

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 2019	505,923	6,898	777,609	370,545	1,660,975	14,870,497	16,531,472
Effects of adopting FRS 116	–	–	–	(63,000)	(63,000)	(250,000)	(313,000)
Additions	57,646	–	6,514	–	64,160	–	64,160
At 30 September 2020 and 1 October 2020	563,569	6,898	784,123	307,545	1,662,135	14,620,497	16,282,632
Additions	17,890	–	7,630	–	25,520	–	25,520
Disposal	–	–	(1,484)	–	(1,484)	–	(1,484)
At 30 September 2021	581,459	6,898	790,269	307,545	1,686,171	14,620,497	16,306,668
Accumulated depreciation:							
At 1 October 2019	468,266	6,898	633,050	201,157	1,309,371	2,355,398	3,664,769
Effects of adopting FRS 116	–	–	–	(21,757)	(21,757)	(30,351)	(52,108)
Charge for the year	65,632	–	122,686	30,755	219,073	560,894	779,967
At 30 September 2020 and 1 October 2020	533,898	6,898	755,736	210,155	1,506,687	2,885,941	4,392,628
Charge for the year	24,220	–	7,330	30,753	62,303	550,542	612,845
Disposal	–	–	(1,484)	–	(1,484)	–	(1,484)
At 30 September 2021	558,118	6,898	761,582	240,908	1,567,506	3,436,483	5,003,989
Carrying amount:							
At 30 September 2021	23,341	–	28,687	66,637	118,665	11,184,014	11,302,679
At 30 September 2020	29,671	–	28,387	97,390	155,448	11,734,556	11,890,004

Caritas Singapore Community Council Limited

Notes to the financial statements For the financial year ended 30 September 2021

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:

	2021	2020
	\$	\$
Depreciation for the year	612,845	779,967
Amortisation of Agape Village building fund (Note 19)	(550,542)	(560,894)
Net depreciation of property, plant and equipment	62,303	219,073

13. Prepayments

	2021	2020
	\$	\$
Prepayments (current):		
Accounting software maintenance	1,560	1,430
Insurance	4,094	387
Telephone & Internet	22,414	-
License fee	6,327	-
Others	10,765	1,345
	45,160	3,162

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 ending 18 June 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.

Caritas Singapore Community Council Limited

Notes to the financial statements For the financial year ended 30 September 2021

14. Other debtors and deposits

	2021	2020
	\$	\$
Interest receivable	14,234	16,351
Other debtors and deposits	77,919	70,553
Total other debtors and deposits	92,153	86,904
Add: Cash and short-term deposits (Note 15)	23,553,151	22,640,585
Add: Lease receivables (Note 17)	194,614	281,459
Total financial assets at amortised cost	23,839,918	23,008,948

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

	2021	2020
	\$	\$
Cash at banks and on hand	14,742,637	13,879,448
Short-term deposits	8,810,514	8,761,137
	23,553,151	22,640,585

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 2021 for the Council was 0.47% (2020: 0.58%).

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

	2021	2020
	\$	\$
Cash at banks and on hands	14,742,637	13,879,448
Short-term deposits	8,810,514	8,761,137
	23,553,151	22,640,585
Less: short-term deposits greater than 3 months	(2,057,609)	(2,040,219)
Cash and cash equivalents	21,495,542	20,600,366

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

16. Creditors and accruals

	2021	2020
	\$	\$
Accruals and Creditors	791,555	2,435,608
Deposits received	62,322	74,008
Deferred grant income	–	25,980
	<hr/>	<hr/>
	853,877	2,535,596
Less: Deferred grant income	–	(25,980)
	<hr/>	<hr/>
Total financial liabilities carried at amortised cost	853,877	2,509,616

Included in the accruals are the grants expenditure amounting to \$255,500 (2020: \$1,900,030) and staff related costs amounting to \$417,375 (2020: \$428,155).

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.

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 2019	945,649	3,402,746	30,752	4,379,147
Additions	–	–	35,992	35,992
Depreciation expense charge for the year	(43,147)	(152,362)	(6,963)	(202,472)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 September 2020 and 1 October 2020	902,502	3,250,384	59,781	4,212,667
Depreciation expense charge for the year	(43,147)	(152,362)	(14,161)	(209,670)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 30 September 2021	859,355	3,098,022	45,620	4,002,997

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

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:

	2021	Total	2020
	\$		\$
As at 1 October	1,880,872		1,937,746
Additions	–		35,992
Accretion of interest	90,289		85,739
Payment of lease liabilities	(186,201)		(178,605)
As at 30 September	<u>1,784,960</u>		<u>1,880,872</u>
Breakdown as:			
Current	100,266		95,912
Non-current	<u>1,684,694</u>		<u>1,784,960</u>

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2021

17. Leases (cont'd)

Council as a lessee (cont'd)

	1.10.2020 \$	Cash flows \$	Non-cash changes			30.9.2021 \$
			New leases \$	Accretion of interests \$	Others \$	
Lease liabilities						
Current	95,912	(186,201)	–	90,289	100,266	100,266
Non-current	1,784,960	–	–	–	(100,266)	1,684,694
Total	1,880,872	(186,201)	–	90,289	–	1,784,960

	1.10.2019 \$	Cash flows \$	Non-cash changes			30.9.2020 \$
			New leases \$	Accretion of interests \$	Others \$	
Lease liabilities						
Current	92,866	(178,605)	–	85,739	95,912	95,912
Non-current	1,844,880	–	35,992	–	(95,912)	1,784,960
Total	1,937,746	(178,605)	35,992	85,739	–	1,880,872

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 2021

17. Leases (cont'd)

Council as a lessee (cont'd)

The maturity analysis of lease liabilities is disclosed in Note 27.

The following are the amounts recognised in profit or loss:

	2021	2020
	\$	\$
Depreciation of right-of-use assets	209,670	202,472
Interest expense on lease liabilities	90,289	85,739
Lease expenses relating to short-term leases	–	6,350
	<hr/>	<hr/>
	299,959	294,561
	<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 2021 from leases of office space that are classified as operating lease was \$355,407 (2020: \$448,915).

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 2021 from leases of office space that are classified as finance lease was \$61,272 (2020: \$61,735).

	Office space	
	2021	2020
	\$	\$
Lease receivable:		
At 1 October	281,459	365,740
Accretion of interest	11,422	13,985
Reduction of lease receivable as grant expenditure	(98,267)	(98,266)
	<hr/>	<hr/>
At 30 September	194,614	281,459
Breakdown as:		
Current	91,033	86,844
Non-current	103,581	194,615
	<hr/>	<hr/>

Finance income on the net investment in sub-lease during the financial year is \$11,422 (2020: \$13,985).

The maturity analysis of the undiscounted lease payments to be received is shown in Note 27.

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

18. 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 2019	104,569
Accretion of interest	4,907
	<hr/>
As at 30 September 2020 and 1 October 2020	109,476
Accretion of interest	5,615
	<hr/>
As at 30 September 2021	<u><u>115,091</u></u>

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Notes to the financial statements
For the financial year ended 30 September 2021

19. Restricted and expendable endowment funds

	Balance at beginning of the year \$	Incoming resources \$	Resources expended \$	Effects of adopting FRS 116 \$	Transfer between funds \$	Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities \$	Balance at end of the year \$
2021							
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 21)</i>	11,734,556	–	–	–	–	(550,542)	11,184,014
<i>Sinking fund</i>	1,650,754	–	–	–	–	–	1,650,754
	13,683,650	–	–	–	–	(550,542)	13,133,108
Total restricted and expendable endowment funds	14,029,486	–	–	–	–	(550,542)	13,478,944
Total unrestricted funds (Note 20)	20,559,351	12,420,728	(10,022,197)	–	–	–	22,957,882
Total funds	34,588,837	12,420,728	(10,022,197)	–	–	(550,542)	36,436,826

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2021

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

	Balance at beginning of the year \$	Incoming resources \$	Resources expended \$	Effects of adopting FRS 116 \$	Transfer between funds \$	Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities \$	Balance at end of the year \$
2020							
General Fund							
Capacity Building Fund ²	345,836	–	–	–	–	–	345,836
	345,836	–	–	–	–	–	345,836
Agape Fund							
St. Jude Fund ¹	95,000	–	(20,000)	–	–	–	75,000
Capacity Building Fund ²	223,340	–	–	–	–	–	223,340
Agape Village Building Fund (Note 21)	13,915,853	–	–	30,351	(1,650,754)	(560,894)	11,734,556
Sinking fund	–	–	–	–	1,650,754	–	1,650,754
	14,234,193	–	(20,000)	30,351	–	(560,894)	13,683,650
Total restricted and expendable endowment funds	14,580,029	–	(20,000)	30,351	–	(560,894)	14,029,486
Total unrestricted funds (Note 20)	19,674,274	12,662,013	(11,795,386)	18,450	–	–	20,559,351
Total funds	34,254,303	12,662,013	(11,815,386)	48,801	–	(560,894)	34,588,837

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 2021**

19. 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:

	2021	2020
	\$	\$
Agape Village Building fund:		
Balance at beginning of the year	14,680,501	16,300,904
Effects of adopting FRS 116	–	30,351
Transfer to sinking fund	–	(1,650,754)
	<hr/>	<hr/>
Balance at the end of the year	14,680,501	14,680,501
	<hr/>	<hr/>
Amount amortised:		
Balance at the beginning of the year	(2,945,945)	(2,385,051)
Amortisation for the year (Note 12)	(550,542)	(560,894)
	<hr/>	<hr/>
Balance at the end of the year	(3,496,487)	(2,945,945)
	<hr/>	<hr/>
Net balance at the end of the year	11,184,014	11,734,556
	<hr/>	<hr/>

Caritas Singapore Community Council Limited

Notes to the financial statements
For the financial year ended 30 September 2021

20. Unrestricted funds

	Balance at beginning of the year \$	Incoming resources \$	Resources expended \$	Effects of adopting FRS 116 \$	Transfer between funds \$	Amortisation expenses credited to charitable activities \$	Balance at end of the year \$
2021							
General Fund	517,876	1,301,063	(763,268)	-	-	-	1,055,671
Agape Fund	20,041,475	11,119,665	(9,258,929)	-	-	-	21,902,211
Total	20,559,351	12,420,728	(10,022,197)	-	-	-	22,957,882
2020							
General Fund	513,026	1,369,417	(1,368,701)	4,134	-	-	517,876
Agape Fund	19,161,248	11,292,596	(10,426,685)	14,316	-	-	20,041,475
Total	19,674,274	12,662,013	(11,795,386)	18,450	-	-	20,559,351

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Notes to the financial statements For the financial year ended 30 September 2021

21. 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 an estimated total cost of \$14,000,000 (including contingencies) and received the Temporary Occupation Permit on 24 July 2015.

22. 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.

23. Related party transactions

The following significant transactions took place during the year:

	2021	2020
	\$	\$
Grant expenditure (Note 8):		
ACMI	550,000	575,000
CHARIS	211,436	257,214
Catholic Lawyers Guild	25,680	25,680
Canossaville Children & Community Services	366,000	366,000
	<u> </u>	<u> </u>

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

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

24. Employee benefits

	General Fund Unrestricted \$	Agape Fund Unrestricted \$	Total \$
2021			
Salaries and leave accruals	215,968	920,705	1,136,673
Central provident fund contributions	33,176	141,437	174,613
Other short-term benefits	22,464	95,768	118,232
	<hr/>	<hr/>	<hr/>
	271,608	1,157,910	1,429,518
	<hr/>	<hr/>	<hr/>
2020			
Salaries and leave accruals	161,578	879,517	1,041,095
Central provident fund contributions	25,037	136,285	161,322
Other short-term benefits	97,527	223,920	321,447
	<hr/>	<hr/>	<hr/>
	284,142	1,239,722	1,523,864
	<hr/>	<hr/>	<hr/>

25. Compensation of key management personnel

	2021 \$	2020 \$
Salaries, bonus and other benefits-in-kind	355,477	352,471
Central provident funds contributions	17,003	18,645
	<hr/>	<hr/>
	372,480	371,116
	<hr/>	<hr/>

The above compensation relates to the top 2 executives whose emoluments above \$100,000.

26. Taxation

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

27. 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 does not place its funds in investment debt securities nor does it use derivative financial instruments to hedge its interest rate risk.

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 cash and cash equivalents and these are placed with financial institutions of high credit standing and regulated.

Caritas Singapore Community Council Limited

**Notes to the financial statements
For the financial year ended 30 September 2021**

27. 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:

	2021		2020	
	1 year or less \$	More than 1 year \$	1 year or less \$	More than 1 year \$
Financial assets				
Other debtors and deposits	92,153	–	86,904	–
Lease receivables	98,266	106,455	98,266	204,722
Cash and short-term deposits	23,553,151	–	22,640,585	–
	<hr/>	<hr/>	<hr/>	<hr/>
	23,743,570	106,455	22,825,755	204,722
Financial liabilities				
Creditors and accruals	853,877	–	2,509,616	–
Lease liabilities	186,201	2,582,580	186,201	2,768,781
	<hr/>	<hr/>	<hr/>	<hr/>
	1,040,078	2,582,580	2,695,817	2,768,781
Total net undiscounted financial assets/(liabilities)	<hr/>	<hr/>	<hr/>	<hr/>
	22,703,492	(2,476,125)	20,129,938	(2,564,059)

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. 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 Group 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 approximations of their fair values as they are mostly short-term in nature.

(b) 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.

29. 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.

30. Contingencies

Return of donation

The Council has been advised that legal proceedings may be commenced to recover a donation of \$1,000,000 made by a donor in 2020 on the ground that the donor may have lacked the requisite mental capacity to make the donation.

As at the date of this report, no proceedings have been commenced for the recovery of the donation, and since the outcome of any such proceedings if commenced, is uncertain, no provision for the return of this donation has accrued.

31. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 September 2021 were authorised for issue in accordance with a resolution of the Directors on 17 December 2021.