

**Catholic Aids Response Effort**  
(Unique Entity Number: T04SS0204E)

(Registered under the Societies Act 1966 and Charities Act 1994)

**AUDITED FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 December 2021**



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**Catholic Aids Response Effort**  
**AUDITED FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 December 2021**

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**Catholic Aids Response Effort**

**STATEMENT BY THE MANAGEMENT COMMITTEE  
For the Financial Year Ended 31 December 2021**

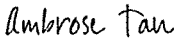
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In the opinion of the Management Committee

- (a) the financial statements of Catholic Aids Response Effort (the "Society") together with the notes thereto are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), and Charities Accounting Standards in Singapore ("CASS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2021, and the results, and cash flows of the Society for the financial year ended on that date;
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due; and
- (a) there was no fund-raising appeal held by the Society during the financial year.

The Management Committee authorised the issue of these financial statements.

For and on behalf of the Management Committee

DocuSigned by:  
  
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.....  
Ambrose Tan Jui Lian  
**President**

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Anthony Soo Wai Seng  
**Treasurer**

Singapore

Date: 14 April 2022

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Catholic Aids Response Effort  
For the Financial Year Ended 31 December 2021

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### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Catholic Aids Response Effort (the "Society"), which comprise the balance sheet of the Society as at 31 December 2021, the statement of financial activities, and statement of cash flows of the Society for financial 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 Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), and Charities Accounting Standard in Singapore ("CASS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2021, and the results, and cash flows of the Society for the financial year ended on that date.

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority ("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 Matter*

The financial statements of the Society for the financial year ended 31 December 2020 were audited by another firm of auditor who expresses an unmodified opinion on those financial statements in their report dated 12 May 2021.

#### *Other Information*

Management is responsible for the other information. The other information comprise the Statement by the Management Committee, but does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Catholic Aids Response Effort  
For the Financial Year Ended 31 December 2021**

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*Responsibilities of Management Committee and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations, and CASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
Catholic Aids Response Effort  
For the Financial Year Ended 31 December 2021**

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- 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 Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other legal and regulatory requirements**

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

There was no fund-raising appeal held by the Society during the financial year.



**Tan, Chan & Partners**  
*Public Accountants and  
Chartered Accountants*

Singapore

Date: 14 April 2022

**Catholic Aids Response Effort**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the Financial Year Ended 31 December 2021**

	Note	Unrestricted funds		Restricted fund	Total Funds
		General fund	Designated fund Capital expenditure fund	Care and share matching fund	
		\$	\$	\$	\$
<b><u>Income</u></b>					
<b><u>Income from generating funds:</u></b>					
Donations					
- Tax deductible	3	2,060	-	-	2,060
- Non-tax deductible	3	3,950	-	-	3,950
		6,010	-	-	6,010
Grants					
- BCF matching grant		400,000	-	-	400,000
- Care and share matching grant		-	-	229,445	229,445
- Caritas Singapore Community Council		575,480	-	-	575,480
		975,480	-	229,445	1,204,925
<b><u>Income from other charitable activities:</u></b>					
Residents' projects		4,545	-	-	4,545
Residents' contribution		22,920	-	-	22,920
		27,465	-	-	27,465
<b><u>Other income</u></b>					
Fixed deposit interest	4	26	5,108	-	5,134
Other income	4	20,763	-	-	20,763
		20,789	5,108	-	25,897
<b>Total income</b>		<b>1,029,744</b>	<b>5,108</b>	<b>229,445</b>	<b>1,264,297</b>
<b><u>Expenditures</u></b>					
<b><u>Cost of charitable activities</u></b>					
Air conditioning, installations and equipment		706	-	3,450	4,156
Building and grounds		4,088	-	5,600	9,688
Catering, food and household expenses		6,837	-	-	6,837
Children's transport fund and related transport cost		2,600	-	-	2,600
Cleaning and environment services		7,524	-	-	7,524
Cyclical maintenance		108	-	95,260	95,368
Education and training expenses		407	-	-	407
Electrical and lighting		152	-	-	152
Furniture and fixture		1,062	-	1,200	2,262
Insurance expenses		3,488	-	-	3,488
Lanscaping services		3,230	-	-	3,230
Medicine and medical equipment		1,070	-	-	1,070
Monthly rations		6,500	-	-	6,500
Other event expenses		763	-	-	763
Other volunteer expenses		359	-	-	359
Other non-resident expenses		250	-	-	250
Rental expenses		37,800	-	-	37,800
Resident incentive and assistance		4,810	-	-	4,810
Staff costs	5	214,691	-	-	214,691
Transportation/travelling		36	-	-	36
Utilities		10,958	-	-	10,958
Water system		50	-	1,592	1,642
		307,489	-	107,102	414,591

*The accompanying notes form an integral part of the financial statements.*

**Catholic Aids Response Effort**

**STATEMENT OF FINANCIAL ACTIVITIES (Cont'd)**  
**For the Financial Year Ended 31 December 2021**

Note	Unrestricted funds		Restricted fund	Total Funds
	General fund	Designated fund	Care and share matching fund	
		Capital expenditure fund		
	\$	\$	\$	\$
<b><u>Expenditures (cont'd)</u></b>				
<b><u>Governance and administrative costs:</u></b>				
	7,704	-	-	7,704
	223	-	-	223
5	25,544	-	-	25,544
	-	-	475	475
	3,610	-	-	3,610
	-	-	6,562	6,562
	2,090	-	-	2,090
	1,335	-	-	1,335
	26,540	-	-	26,540
	2,582	-	-	2,582
	500	-	-	500
	240	-	-	240
	-	-	3,391	3,391
	476	-	-	476
5	-	-	36,930	36,930
	22	-	-	22
	3,055	-	-	3,055
	-	-	150	150
	78	-	-	78
	3,000	-	-	3,000
	1,880	-	-	1,880
	78,879	-	47,508	126,387
<b>Total expenditures</b>	<b>386,368</b>	<b>-</b>	<b>154,610</b>	<b>540,978</b>
<b>Net surplus for the financial year</b>	<b>643,376</b>	<b>5,108</b>	<b>74,835</b>	<b>723,319</b>
<b>Total funds brought forward</b>	<b>989,478</b>	<b>1,042,915</b>	<b>224,069</b>	<b>2,256,462</b>
<b>Total funds carried forward</b>	<b>1,632,854</b>	<b>1,048,023</b>	<b>298,904</b>	<b>2,979,781</b>

*The accompanying notes form an integral part of the financial statements.*



# Catholic Aids Response Effort

## STATEMENT OF FINANCIAL ACTIVITIES For the Financial Year Ended 31 December 2020

	Note	Unrestricted funds		Restricted fund	Total Funds
		General fund	Designated fund Capital expenditure fund	Care and share matching fund	
		\$	\$	\$	\$
<b>Income</b>					
<u>Income from generating funds:</u>					
Donations					
- Tax deductible	3	2,500	-	-	2,500
- Non-tax deductible	3	4,290	-	-	4,290
		6,790	-	-	6,790
Grants					
- Care and share matching grant		-	-	259,216	259,216
- Caritas Singapore Community Council		500,480	-	-	500,480
		500,480	-	259,216	759,696
<u>Income from other charitable activities:</u>					
Residents' projects		2,106	-	-	2,106
Residents' contribution		12,180	-	-	12,180
		14,286	-	-	14,286
<u>Other income</u>					
Fixed deposit interest	4	282	16,000	-	16,282
Other income	4	79,482	-	-	79,482
		79,764	16,000	-	95,764
<b>Total income</b>		601,320	16,000	259,216	876,536
<b>Expenditures</b>					
<u>Cost of charitable activities</u>					
Air conditioning, installations and equipment		535	-	-	535
Building and grounds		1,456	-	-	1,456
Catering, food and household expenses		8,403	-	-	8,403
Children's transport fund and related transport cost		4,290	-	-	4,290
Cleaning and environment services		4,273	-	-	4,273
DUM spiro spero		559	-	-	559
Depreciation		-	-	3,410	3,410
Education and training expenses		407	-	-	407
Electrical and lighting		1,044	-	-	1,044
Furniture and fixture		(1,063)	-	4,144	3,081
Insurance expenses		747	-	-	747
Lanscaping services		-	-	3,076	3,076
Medicine and medical equipment		386	-	-	386
Monthly rations		7,000	-	-	7,000
Other event expenses		500	-	-	500
Other volunteer expenses		100	-	-	100
Other non-resident expenses		2,268	-	-	2,268
Rental expenses		50,400	-	-	50,400
Resident incentive and assistance		6,060	-	-	6,060
Staff costs	5	206,102	-	-	206,102
Transportation/travelling		120	-	-	120
Utilities		1,537	-	9,338	10,875
Water system		163	-	-	163
		295,287	-	19,968	315,255

*The accompanying notes form an integral part of the financial statements.*

**Catholic Aids Response Effort**

**STATEMENT OF FINANCIAL ACTIVITIES (Cont'd)**  
**For the Financial Year Ended 31 December 2020**

	Note	Unrestricted funds		Restricted fund	Total Funds
		General fund	Designated fund	Care and share matching fund	
			Capital expenditure fund		
		\$	\$	\$	\$
<b><u>Expenditures (cont'd)</u></b>					
<b><u>Governance and administrative costs:</u></b>					
Auditor's remuneration		5,350	-	-	5,350
Bank charges		525	-	-	525
Depreciation		-	-	602	602
Fees, licences and TOL		289	-	924	1,213
Insurance expenses		4,230	-	-	4,230
Medical expenses		3,155	-	-	3,155
Night warden cost		26,940	-	-	26,940
Office equipment maintenance		5,046	-	12,100	17,146
Postage, printing and stationery		2,371	-	-	2,371
SDL contribution		462	-	-	462
Staff costs	5	22,440	-	41,035	63,475
Sundries		41	-	-	41
Telecommunications		2,748	-	-	2,748
Training and development			-	230	230
Transportation/ travelling		128	-	-	128
Worker's support fund		180	-	-	180
Utilities		1,828	-	-	1,828
		75,733	-	54,891	130,624
<b>Total expenditures</b>		371,020	-	74,859	445,879
<b>Net surplus for the financial year</b>		230,300	16,000	184,357	430,657
<b>Total funds brought forward</b>		759,178	1,026,915	39,712	1,825,805
<b>Total funds carried forward</b>		989,478	1,042,915	224,069	2,256,462

*The accompanying notes form an integral part of the financial statements.*

# Catholic Aids Response Effort

## BALANCE SHEET As at 31 December 2021

	Note	2021 \$	2020 \$
<b>Non-current asset</b>			
Property, plant and equipment	7	-	-
<b>Current assets</b>			
Prepayments		1	2,290
Other receivables	8	13,453	62,552
Cash and bank balances	9	2,973,703	2,205,684
		<u>2,987,157</u>	<u>2,270,526</u>
<b>Current liabilities</b>			
Other payables	10	<u>7,376</u>	<u>14,064</u>
<b>Net assets</b>		<u><u>2,979,781</u></u>	<u><u>2,256,462</u></u>
<b>Funds</b>			
<u>Unrestricted</u>			
Accumulated fund		1,632,854	989,478
<u>Designated</u>			
Capital expenditure fund	11	1,048,023	1,042,915
<u>Restricted</u>			
Care and share matching fund	12	<u>298,904</u>	<u>224,069</u>
<b>Total funds</b>		<u><u>2,979,781</u></u>	<u><u>2,256,462</u></u>

*The accompanying notes form an integral part of the financial statements.*

**Catholic Aids Response Effort**  
**STATEMENT OF CASH FLOWS**  
**For the Financial Year Ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Operating activities</b>			
Surplus for the financial year		723,319	430,657
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment		-	4,012
Interest income		(5,134)	(16,282)
Gain on derecognition of right-of-use asset	4	-	(2,450)
Operating cash flow before working capital changes		718,185	415,937
<u>Adjustments for changes in working capital:</u>			
Prepayments		2,289	400
Other receivables		6,164	(6,164)
Other payables		(6,688)	8,713
<b>Net cash generated from operating activities</b>		<u>719,950</u>	<u>418,886</u>
<b>Investing activity</b>			
Interest received		48,069	262
<b>Net cash generated from investing activity</b>		<u>48,069</u>	<u>262</u>
<b>Net changes in cash and cash equivalents</b>		768,019	419,148
<b>Cash and cash equivalents at beginning of financial year</b>		<u>2,205,684</u>	<u>1,786,536</u>
<b>Cash and cash equivalents at end of financial year</b>	9	<u>2,973,703</u>	<u>2,205,684</u>

*The accompanying notes form an integral part of the financial statements.*

## **Catholic Aids Response Effort**

### **NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021**

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### **1. GENERAL INFORMATION**

Catholic Aids Response Effort (the “Society”) is registered under the Societies Act 1966 and the Charities Act 1994 and is domiciled in the Republic of Singapore. The Society is an approved Institution of Public Character (IPC) from 1 February 2020 to 31 January 2022 and renew from 1 February 2022 to 31 January 2024.

The registered address of the Society is located at 9 Mandai Road, Singapore 779387.

The principal activities of the Society are those of providing holistic care and support to people living with HIV/AIDS (PLWHAs) and their families.

The financial statements of the Society for the financial year ended 31 December 2021 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

The financial statements, expressed in Singapore Dollar (“\$”), which is the functional currency of the Society have been prepared in accordance with the Societies Act 1966, (the “Societies Act”), the Charities Act 1994 and other regulations (the “Charities Act and Regulations”) and Singapore Charities Accounting Standard (“CAS”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

##### *Use of estimates and judgements*

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

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

## Catholic Aids Response Effort

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.1 Basis of preparation (cont'd)

###### *Adoption of new standards*

On 1 January 2020, the Society has elected to adopt the CASs that is mandatory for application from that date. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the CASs.

The adoption of these CASs did not result in substantial changes to the Society's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

##### 2.2 Income recognition

Income is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

###### Donations

Donations are recognised and accrued in the statement of financial activities as and when they are committed. Uncommitted donations are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

###### Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

###### Other income

Other income is recognised on receipt basis.

###### Government grant

Grants from the government or non-profit organization are recognised as receivable at their fair value where there is a reasonable assurance that the grants will be received and the Society will comply with all attached conditions.

Grant receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Grants related to assets is presented in the statement of financial position by recognising the grant as deferred capital grants that is recognised in statement of financial activities on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

## Catholic Aids Response Effort

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.3 Recognition of expenditures

Expenditures are recognised in the statement of financial activities once the goods or services have been received unless the expenditure qualifies for capitalisation as assets such as inventory and property, plant and equipment. Expenditure on performance-related grants is recognised to the extent the specified service or goods have been provided. Expenditures in the statement of financial activities are classified under the cost of generating funds, cost of charitable activities and governance costs.

#### Cost of charitable activities

Expenditure on charitable activities comprises all costs incurred in undertaking work to meet the charitable objects of the Society. Such costs include the direct costs of the charitable activities of the Society together with those support costs incurred that enable these activities to be undertaken.

All resources applied in undertaking activities to meet the Society's charitable objectives are classified under cost of charitable activities.

#### Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

#### Allocation of costs

Where appropriate, expenditures that are specifically identifiable to each cost classification are allocated directly to the type of costs incurred. Where apportionment between each costs classification is necessary, the following apportionment bases are applied:

- Usage;
- Head count i.e. on the number of people employed within an activity;
- Floor area occupied by an activity;
- On time basis; and
- Expenditure total.

### 2.4 Employee benefits

#### Defined contribution plan

The Society makes contributions to the Central Provident Fund in Singapore. Contributions to the defined contribution plan are recognised as an expense in the period in which the related service is performed.

#### Short-term benefits

All short-term benefits including accumulating compensated absences are recognised in the statement of financial activities in the period in which the employees rendered their services to the Society.

## Catholic Aids Response Effort

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.5 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to the statement of financial activities.

##### 2.6 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged on the straight-line method to write off the assets over their estimated useful lives as follows:

	<u>Useful lives</u>
Office equipment	3 years
Renovation	5 years
Furniture and fittings	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of financial activities when the changes arise.

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

Fully depreciated assets are retained in the financial statements until they are no longer in use.

##### 2.7 Receivables

Receivables, excluding prepayments, are measured at initial recognition at transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities. Prepayments shall be initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, receivables, excluding prepayments, shall be measured at cost less any accumulated impairment losses. Prepayments shall be measured at the amount paid less the economic resources received or consumed during the financial period.

At each balance sheet date, where there is objective evidence that a receivable is impaired, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial activities. The allowance recognised is measured as the difference between the asset's carrying amount and the undiscounted future cash flows that the Society expects to receive from the receivables. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the statement of financial activities.



## Catholic Aids Response Effort

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and fixed deposits that are subject to an insignificant risk of changes in value.

##### 2.9 Payables

Payables are initially measured at transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transactions costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals shall be recognised at the best estimate of the amount payable.

##### 2.10 Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits in settlement will be required and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting date 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, any adjustment to the amounts previously recognised shall be recognised as expenditure in the statement of financial activities unless the provision was originally recognised as part of the cost of an asset.

##### 2.11 Unrestricted funds

Unrestricted funds are classified into two categories:

###### *Unrestricted non-designated funds*

These represent funds received by the Society that are expendable for any activity within the Society at the discretion of the Management Committee in furtherance of the Society's charitable objectives.

###### *Unrestricted designated funds*

These represent funds that have been received by the Society specifically for one of its many programmes, or have been ear-marked for a specific programme or a specific purpose within a programme by the Management Committee. If part of the unrestricted designated fund of a programme is set aside for a particular purpose by the Management Committee, it may be designated as a separate fund within the programme but the designation has an administrative purpose only, and does not restrict the Management Committee from transferring or re-designating the fund for another purpose within the same programme. Funds that have been transferred from unrestricted non-designated funds by the Management Committee and designated for a specific purpose or programme, may at its discretion be transferred back to the non-designated unrestricted funds.

## Catholic Aids Response Effort

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.12 Restricted funds

Restricted funds are funds subject to specific trusts, which may be declared by the donors or with their authority such as in the literature of a public appeal or created through legal process, but still within the wider objects of the Society.

Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the board of management retains full control to use in achieving its institutional purposes.

The Society classifies the following fund as restricted fund:

- Care and Share Fund

#### 3. DONATIONS

	2021 \$	2020 \$
Tax deductible donations	2,060	2,500
Non-tax deductible donations	3,950	4,290
	<u>6,010</u>	<u>6,790</u>

During the financial year, the Society issued tax-exempt receipts for donations collected amounting to \$2,060 (2020: \$2,500).

#### 4. OTHER INCOME

	2021 \$	2020 \$
Covid-19 related rent concessions	-	16,800
Fixed deposit income	5,134	16,282
Gain on derecognition of right-of-use asset	-	2,450
Jobs growth incentive	2,800	
Jobs support scheme	13,634	51,693
Senior employment credit	981	-
Special employment credit	1,130	-
Wages credit scheme	2,218	8,539
	<u>25,897</u>	<u>95,764</u>

The Jobs Support Scheme ("JSS") is to provide wage support to employers, regardless of the sector, to retain their local employees during the Covid-19 pandemic due to economic uncertainty.

# Catholic Aids Response Effort

## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

### 5. STAFF COSTS

	2021	2020
	\$	\$
CPF contribution	25,544	20,665
Salaries and bonuses	251,621	248,912
	<u>277,165</u>	<u>269,577</u>

The staff costs were allocated as follows:

Cost of charitable activities	214,691	206,102
Governance and administrative costs	62,474	63,475
	<u>277,165</u>	<u>269,577</u>

### 6. INCOME TAX

The Society is registered as an exempt Charity under the Charities Act 1994. By virtue of section 13(1)(zm) of the Income Tax Act Cap 134, the Society is exempted from income tax.

### 7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment \$	Renovation \$	Furniture and fittings \$	Total \$
<b><u>Cost</u></b>				
As at 1 January 2020,				
31 December 2020 and				
<b>31 December 2021</b>	<b>18,231</b>	<b>381,664</b>	<b>1,448</b>	<b>401,343</b>
<b><u>Accumulated depreciation</u></b>				
As at 1 January 2020	18,231	377,653	1,448	397,332
Depreciation	-	4,011	-	4,011
31 December 2020 and				
<b>31 December 2021</b>	<b>18,231</b>	<b>381,664</b>	<b>1,448</b>	<b>401,343</b>
<b><u>Net carrying amount</u></b>				
<b>31 December 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
31 December 2020	-	-	-	-

# Catholic Aids Response Effort

## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

### 8. OTHER RECEIVABLES

	2021	2020
	\$	\$
Deposits	13,453	13,453
Grant receivables – Jobs Support Scheme	-	6,164
Interest receivables	-	42,935
	<u>13,453</u>	<u>62,552</u>

### 9. CASH AND BANK BALANCES

	2021	2020
	\$	\$
Cash at bank	2,769,054	1,001,061
Cash on hand	2,000	2,000
Fixed deposits	202,649	1,202,623
	<u>2,973,703</u>	<u>2,205,684</u>

Fixed deposits are placed with banks for a period of 3 months (2020: 3 to 36 months) and earn interest rates at the respective deposit rates. The interest rates ranged from 0.00% to 0.05% (2020: 0.00% to 1.60%) per annum.

### 10. OTHER PAYABLES

	2021	2020
	\$	\$
Accrued operating expenses	7,376	5,351
Deferred grant income – Jobs Support Scheme	-	8,713
	<u>7,376</u>	<u>14,064</u>

### 11. CAPITAL EXPENDITURE FUND

The fund is set up for capital expenditure relating to CARE premise at 9 Mandai Road by setting aside fund for future improvement and additions to the premise. The transfer of \$1,000,000 to designated fund from general fund was approved by the Management Committee on 7 November 2017. The transfer was made during the financial year ended 31 December 2018 and the fund was placed in a separate deposit account since April 2018 and expired in April 2021.

	2021	2020
	\$	\$
At beginning of financial year	1,042,915	1,026,915
Income received during the financial year	5,108	16,000
At end of financial year	<u>1,048,023</u>	<u>1,042,915</u>

## Catholic Aids Response Effort

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

#### 12. CARE AND SHARE MATCHING FUND

Care and Share Matching Grant is a grant from Ministry of Social and Family Development (“MSF”) based on qualifying donations, to develop the charitable agency’s capabilities and capacity in the provision of social services and programmes for its beneficiaries. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the new proposed projects were not being approved by MSF.

	2021 \$	2020 \$
At beginning of financial year	224,069	39,712
Add: Grant received	229,445	259,216
Less: Utilisation	<u>(154,610)</u>	<u>(74,859)</u>
At end of financial year	<u>298,904</u>	<u>224,069</u>

#### 13. RELATED PARTIES TRANSACTIONS

The Society has significant related party transactions with a related party on terms agreed between the parties as follows:

	2021 \$	2020 \$
<u>Caritas Singapore Community Council Limited:</u>		
Grant received	<u>575,000</u>	<u>500,000</u>

#### 14. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel are those persons having authority and responsibility for panning, directing and controlling the activities of the Society. The key management personnel for the financial year are the Executive Director. Key management personnel compensation for the financial year is as follows:

	2021 \$	2020 \$
Salaries and bonuses	94,309	93,509
CPF contribution	<u>7,200</u>	<u>7,020</u>
	<u>101,509</u>	<u>100,529</u>

The annual remuneration of key management personnel is classified as follows:

	2021	2020
<u>Number of key management in remuneration bands</u>		
\$100,001 to \$200,000	<u>1</u>	<u>1</u>

There is 1 (2020: 1) key management personnel received remuneration more than S\$100,000.

None of the Management Committee members received remuneration for their contributions to the Management Committee.

## Catholic Aids Response Effort

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2021

#### 15. OPERATING LEASE COMMITMENTS

The Society leases office premise and copier from third parties under non-cancellable operating leases agreements. The future minimum leases payable under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, were as follows:

	2021 \$	2020 \$
Within one year	2,029	52,429
Later than one year but not later than five years	3,888	5,917
	<u>5,917</u>	<u>58,346</u>

#### 16. RESERVE POLICY AND POSITION

The Society's reserve position (excluding non-current assets) for the years ended 31 December 2021 and 2020 are as follows:

		2021 \$'000	2020 \$'000	Increase/ (Decrease) %
A	Unrestricted funds			
	- General funds	1,633	989	65
B	Restricted or designated funds			
	- Designated funds	1,048	1,043	0
	- Restricted funds	299	224	33
C	Endowment funds	0	0	0
D	Total funds	2,980	2,256	32
E	Total annual operating expenditure	541	446	21
F	Ratio of unrestricted fund to annual operating expenditure [A/E]	3.02	2.21	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total funds include unrestricted, restricted/designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to cost of charitable activities and governance and other operating and administration expenses.

The Society's Reserve Policy is as follows:

The Management Committee shall maintain a Reserve Fund for purposes of holding surpluses or meeting shortfalls or deficits for any financial year. At the beginning of the financial year, the Management Committee shall initiate the budgetary processes by advancing to the cash book account such sums as may be needed until the arrival of revenues for the year. At the end of the year, the surpluses or deficits of the cash book account for the financial year in question shall be transferred to the Reserve Fund based on the audited financial statements.