World Vision International
(Incorporated in U.S.A.)
Singapore Operations
Registration Number: S81FC3015E

Annual Report
Year ended 30 September 2023

Statement by Agents

We, Fong Foong Chao and Benjamin Tan Keng Sing , the agents of World Vision International - Singapore Operations ("the Branch"), state that in our opinion:

(a) the financial statements set out on pages FS1 to FS30 are drawn up so as to give a true and fair view of the financial position of the Branch's operations in Singapore as at 30 September 2023 and the results, changes in funds and cash flows of the Branch's operations in Singapore for the year ended on that date in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 and other relevant regulations, and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they fall due.

The agents have, on the date of this statement, authorised these financial statements for issue.

Fong Foong Chao
Local Agent

Benjamin Tan Keng Sing
Local Agent

Singapore
4 March 2024

KPMG

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Independent auditors' report

World Vision International, Singapore Operations
(Incorporated in U.S.A.)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Singapore Operations of World Vision International ("the Branch"), pursuant to Section 373 of the Companies Act 1967 ("the Act"). These financial statements comprise the statement of financial position as at 30 September 2023, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS30.

The Branch is a segment of World Vision International and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Branch and reflect only transactions recorded therein.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the assets used in, and liabilities arising out of, the Branch's operations in Singapore as at 30 September 2023 and of the results, changes in head office account and cash flows of the Branch's operations in Singapore 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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Branch 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 the other information. The other information comprises all other information contained in the annual report but does not include the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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.

Responsibilities of management and those charged with governance for the financial statements

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

The responsibilities of those charged with governance include overseeing the Branch's financial reporting process.

Auditors' 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 auditors' 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 controls.

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- Obtain an understanding of internal controls 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 Branch's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the 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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Branch 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records examined by us relating to the Branch's operations in Singapore have been properly kept in accordance with the provisions of the 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 the Branch has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
4 March 2024

Statement of financial position
As at 30 September 2023

	Note	2023 SAPO $	2023 Support office $	2023 Total $	2022 SAPO $	2022 Support office $	2022 Total $
Non-current asset							
Property, plant and equipment	4	203,008	961,732	1,164,740	243,425	1,110,864	1,354,289
Current assets							
Inventories	5	–	–	–	–	2,202,500	2,202,500
Receivables	6	56,854	414,640	471,494	51,043	116,979	168,022
Cash and cash equivalents	7	131,842	5,913,790	6,045,632	75,716	6,291,768	6,367,484
		188,696	6,328,430	6,517,126	126,759	8,611,247	8,738,006
Total assets		391,704	7,290,162	7,681,866	370,184	9,722,111	10,092,295
Funds and liabilities							
Funds							
Head office account		(249,123)	6,038,362	5,789,239	(559,686)	5,976,635	5,416,949
Woods Square Office Space Fund	8	–	834,506	834,506	–	883,102	883,102
Public Response Funds	9	–	–	–	–	–	–
Total funds		(249,123)	6,872,868	6,623,745	(559,686)	6,859,737	6,300,051
Non-current liabilities							
Lease liabilities	10	145,013	–	145,013	179,805	–	179,805
Current liabilities							
Lease liabilities	10	57,980	–	57,980	54,973	–	54,973
Other payables and accruals	11	437,834	417,294	855,128	695,092	659,874	1,354,966
Deferred income	12	–	–	–	–	2,202,500	2,202,500
		495,814	417,294	913,108	750,065	2,862,374	3,612,439
Total liabilities		640,827	417,294	1,058,121	929,870	2,862,374	3,792,244
Total funds and liabilities		391,704	7,290,162	7,681,866	370,184	9,722,111	10,092,295

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 30 September 2023

		SAPO			Support office			
2023	Note	Head office account $	Head office account $	Woods Square Office Space Fund $	East Africa's Hunger Emergency Response Funds $	Türkiye-Syria's Earthquake Response Funds $	Sudan's Crisis Response Funds $	Total $
Donations received	13	–	18,738,896	–	264,465	656,401	11,426	19,671,188
Funds received from World Vision International		4,410,619	–	–	–	–	–	4,410,619
Other income	14	106,959	18,693	–	–	–	–	125,652
Donations remitted to World Vision International for international ministry		–	(15,020,966)	–	(225,130)	(633,866)	(8,128)	(15,888,090)
Programs' expenditures	15	–	(332,509)	–	(39,335)	(22,535)	(3,298)	(397,677)
		4,517,578	3,404,114	–	–	–	–	7,921,692
Administrative expenses	16	(4,194,205)	(3,524,354)	(48,596)	–	–	–	(7,767,155)
Finance income	17	–	199,985	–	–	–	–	199,985
Finance costs	17	(12,810)	(18,018)	–	–	–	–	(30,828)
Net finance (costs)/income		(12,810)	181,967	–	–	–	–	169,157
Surplus/(deficit) before tax		310,563	61,727	(48,596)	–	–	–	323,694
Income tax expense	18	–	–	–	–	–	–	–
Net surplus/(deficit) for the year and total comprehensive income for the year		310,563	61,727	(48,596)	–	–	–	323,694

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income (cont'd)
Year ended 30 September 2023

		SAPO	Support office			
	Note	Head office account $	Head office account $	Woods Square Office Space Fund $	Ukraine's Emergency Response Funds $	Total $
2022						
Donations received	13	–	21,467,263	–	735,534	22,202,797
Funds received from World Vision International		4,268,960	–	–	–	4,268,960
Other income	14	25,877	93,900	–	–	119,777
Other expense		(27,898)	–	–	–	(27,898)
Donations remitted to World Vision International for international ministry		–	(17,810,826)	–	(707,500)	(18,518,326)
Programs' expenditures	15	–	(184,970)	–	(28,034)	(213,004)
		4,266,939	3,565,367	–	–	7,832,306
Administrative expenses	16	(4,603,713)	(3,306,653)	(54,135)	–	(7,964,501)
Finance income	17	–	48,851	–	–	48,851
Finance costs	17	(10,267)	–	–	–	(10,267)
Net finance (costs)/income		(10,267)	48,851	–	–	38,584
(Deficit)/Surplus before tax		(347,041)	307,565	(54,135)	–	(93,611)
Income tax expense	18	–	–	–	–	–
Net (deficit)/surplus for the year and total comprehensive income for the year		(347,041)	307,565	(54,135)	–	(93,611)

The accompanying notes form an integral part of these financial statements.

Statement of changes in funds
Year ended 30 September 2023

	SAPO	Support office		
	Head office account $	Head office account $	Woods Square Office Space Fund $	Total $
At 1 October 2021	(212,645)	5,669,070	937,237	6,393,662
Net (deficit)/surplus for the year and total comprehensive income for the year	(347,041)	307,565	(54,135)	(93,611)
At 30 September 2022	(559,686)	5,976,635	883,102	6,300,051
At 1 October 2022	(559,686)	5,976,635	883,102	6,300,051
Net surplus/(deficit) for the year and total comprehensive income for the year	310,563	61,727	(48,596)	323,694
At 30 September 2023	(249,123)	6,038,362	834,506	6,623,745

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 30 September 2023

		2023			2022		
	Note	SAPO $	Support office $	Total $	SAPO $	Support office $	Total $
Cash flows from operating activities							
Surplus/(Deficit) before tax		310,563	13,131	323,694	(347,041)	253,430	(93,611)
Adjustments for:							
Depreciation of property, plant and equipment	4	62,468	155,129	217,597	108,960	158,736	267,696
Interest income	17	–	(199,985)	(199,985)	–	(35,077)	(35,077)
Interest expense	17	1,765	–	1,765	3,105	–	3,105
		374,796	(31,725)	343,071	(234,976)	377,089	142,113
Changes in:							
(Increase)/Decrease in receivables		(5,811)	(297,661)	(303,472)	16,262	(7,961)	8,301
(Decrease)/Increase in payables and accruals		(257,258)	(213,503)	(470,761)	328,710	(108,598)	220,112
Cash generated from/(used in) operations		111,727	(542,889)	(431,162)	109,996	260,530	370,526
Interest received	17	–	199,985	199,985	–	35,077	35,077
Net cash from/(used in) operating activities		111,727	(342,904)	(231,177)	109,996	295,607	405,603
Cash flows from investing activity							
Acquisition of property, plant and equipment	4	–	(35,074)	(35,074)	–	(31,227)	(31,227)
Net cash used in investing activity		–	(35,074)	(35,074)	–	(31,227)	(31,227)
Cash flows from financing activities							
Lease payments	10	(53,836)	–	(53,836)	(102,762)	–	(102,762)
Interest paid	10	(1,765)	–	(1,765)	(3,105)	–	(3,105)
Net cash used in financing activities		(55,601)	–	(55,601)	(105,867)	–	(105,867)
Net increase/(decrease) in cash and cash equivalents		56,126	(377,978)	(321,852)	4,129	264,380	268,509
Cash and cash equivalents at beginning of the year		75,716	6,291,768	6,367,484	71,587	6,027,388	6,098,975
Cash and cash equivalents at end of the year	7	131,842	5,913,790	6,045,632	75,716	6,291,768	6,367,484

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the management on 4 March 2024.

1 Domicile and activities

World Vision International, Singapore Operations (the "Branch") is registered and domiciled in the Republic of Singapore. Its registered office and place of operation is located at 6 Woodlands Square, #03-01, Singapore 737737.

The Branch is a segment of World Vision International, a company incorporated in U.S.A. and is not a separately incorporated legal entity. The financial statements have been prepared from the records of the Branch and reflect only transactions recorded locally.

The principal activities of the Branch are as follows:

(a) Support Office

The support office provides administrative support for World Vision projects, promotion and publicity of its work to the public in Singapore, maintaining its relationship with the Christian church and servicing supporters of its work around the world;

(b) South Asia & Pacific Regional Office ("SAPO")

The principal activities of SAPO are to:

(i) implement regional strategy and management control of World Vision operations across 10 countries in South Asia and the Pacific region;

(ii) support national offices in delivering quality development projects across the region; and

(iii) develop appropriate capacity for large-scale responses to major humanitarian emergencies within the Asia Pacific area.

The Branch is a registered Charity under the Charities Act 1994 since 27 September 1986.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"). The changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

2.3 Functional and presentation currency

The Branch presents its financial statements in Singapore dollars, which is also its functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

There were no significant assumptions or estimation uncertainties that have a significant risk of resulting in a material adjustment to the financial statements within the next financial year.

2.5 Changes in accounting policies

New standards and amendments

The Branch has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 October 2022:

- Amendment to FRS 116: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to FRS 113: *Reference to the Conceptual Framework*
- Amendment to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendment to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018 - 2020

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Branch, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Branch at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss and presented within finance costs/income.

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Branch becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a loan receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Branch changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Non-derivative financial assets: Business model assessment

The Branch makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Branch's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Branch considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Branch considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Branch's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised of operating expenses and amount payable to grantees.

(iii) Derecognition

Financial assets

The Branch derecognises a financial asset when:
- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Branch neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Branch enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Branch derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Branch also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Branch updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Branch first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Branch applies the policies on accounting for modifications to the additional changes.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Branch currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposits which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in their fair value, and are used by the Branch in the management of its short-term commitments.

(vi) Impairment

The Branch recognises loss allowances for ECLs on financial assets measured at amortised cost.

Loss allowances of the Branch are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

The Branch applies the general approach to provide for ECLs on all financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Branch assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Branch considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Branch's historical experience and informed credit assessment that includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Branch considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Branch in full, without recourse by the Branch to actions such as realising security (if any is held); or
- the financial asset remains outstanding for more than a reasonable range of past due days, taking into consideration historical payment track records, current macroeconomics situation as well as general industry trends.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Branch is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Branch expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Branch assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Branch on terms that the Branch would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Branch determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Branch's procedures for recovery of amounts due.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Branch, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Computer	3 – 12 years
Office equipment	3 – 5 years
Furniture and fittings	10 years
Office improvements	2 – 3 years
Right-of-use assets	2 – 21 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term compensated absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the reporting date.

3.5 Provisions

Provisions are recognised when the Branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3.6 Revenue recognition

Donations received

Donations are recognised upon receipt.

Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Branch will comply with all the attached conditions.

Government grants 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 part of other income.

Funds received from World Vision International

Funds received from World Vision International ("WVI") for SAPO are recognised to the extent of expenses incurred for operations.

3.7 Gifts-in-kind ("GIK")

Gifts-in-kind consist primarily of private gift donations from donors for distribution to the communities helped by World Vision. Gifts-in-kind are included in revenue of the Branch at estimated fair value based on values provided by the donor. Gifts-in-kind expense is recorded when the goods are distributed to program beneficiaries.

3.8 Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Branch allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Branch has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Branch recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Branch by the end of the lease term or the cost of the right-of-use asset reflects that the Branch will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Branch's incremental borrowing rate. Generally, the Branch uses its incremental borrowing rate as the discount rate.

The Branch determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Branch is reasonably certain to exercise, lease payments in an optional renewal period if the Branch is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Branch is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Branch's estimate of the amount expected to be payable under a residual value guarantee, if the Branch changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Branch presents right-of-use assets in 'property, plant and equipment' in the statement of financial position.

Short-term leases and leases of low-value assets

The Branch has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Branch recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.9 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out allocation method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.10 Deferred income

Deferred income comprises gifts-in-kind that are yet to be distributed to program beneficiaries.

Deferred income is recognised in profit or loss as revenue when the goods are distributed to program beneficiaries.

3.11 Finance income

Finance income comprises interest income on funds invested that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

3.12 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 October 2022 and earlier application is permitted. However, the Branch has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Branch's financial statements.

- FRS 117 *Insurance Contracts* and Amendments to FRS 117 *Insurance Contracts*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

4 Property, plant and equipment

	Computer $	Office equipment $	Furniture and fittings $	Office improve-ments $	Right-of-use assets (Note 19) $	Total $
<u>(a) SAPO</u>						
Cost						
At 1 October 2021	49,713	19,696	–	313,668	449,987	833,064
Additions	–	–	–	–	28,135	28,135
Disposals	(49,713)	–	–	–	(149,629)	(199,342)
At 30 September 2022	–	19,696	–	313,668	328,493	661,857
Additions	–	–	–	–	22,051	22,051
At 30 September 2023	–	19,696	–	313,668	350,544	683,908
Accumulated depreciation						
At 1 October 2021	49,713	19,696	–	298,657	140,748	508,814
Charge for the year	–	–	–	6,550	102,410	108,960
Disposals	(49,713)	–	–	–	(149,629)	(199,342)
At 30 September 2022	–	19,696	–	305,207	93,529	418,432
Charge for the year	–	–	–	6,550	55,918	62,468
At 30 September 2023	–	19,696	–	311,757	149,447	480,900
Carrying amounts						
At 1 October 2021	–	–	–	15,011	309,239	324,250
At 30 September 2022	–	–	–	8,461	234,964	243,425
At 30 September 2023	–	–	–	1,911	201,097	203,008

	Computer $	Office equipment $	Furniture and fittings $	Office improve-ments $	Right-of-use assets (Note 19) $	Total $
(b) Support office						
Cost						
At 1 October 2021	887,617	56,635	85,106	416,577	522,300	1,968,235
Additions	30,208	1,019	–	–	–	31,227
Disposals	(34,838)	(21,296)	(2,373)	(5,856)	–	(64,363)
At 30 September 2022	882,987	36,358	82,733	410,721	522,300	1,935,099
Additions	35,074	–	–	–	–	35,074
Disposals	(3,142)	–	–	–	–	(3,142)
Adjustments	–	–	–	–	(29,077)	(29,077)
At 30 September 2023	914,919	36,358	82,733	410,721	493,223	1,937,954
Accumulated depreciation						
At 1 October 2021	619,214	37,775	12,749	23,784	36,340	729,862
Charge for the year	100,925	5,210	8,172	19,558	24,871	158,736
Disposals	(34,838)	(21,296)	(2,373)	(5,856)	–	(64,363)
At 30 September 2022	685,301	21,689	18,548	37,486	61,211	824,235
Charge for the year	103,023	5,274	7,941	19,558	19,333	155,129
Disposals	(3,142)	–	–	–	–	(3,142)
At 30 September 2023	785,182	26,963	26,489	57,044	80,544	976,222
Carrying amounts						
At 1 October 2021	268,403	18,860	72,357	392,793	485,960	1,238,373
At 30 September 2022	197,686	14,669	64,185	373,235	461,089	1,110,864
At 30 September 2023	129,737	9,395	56,244	353,677	412,679	961,732
Total (a) + (b)						
Cost						
At 1 October 2021	937,330	76,331	85,106	730,245	972,287	2,801,299
Additions	30,208	1,019	–	–	28,135	59,362
Disposals	(84,551)	(21,296)	(2,373)	(5,856)	(149,629)	(263,705)
At 30 September 2022	882,987	56,054	82,733	724,389	850,793	2,596,956
Additions	35,074	–	–	–	22,051	57,125
Disposals	(3,142)	–	–	–	–	(3,142)
Adjustments	–	–	–	–	(29,077)	(29,077)
At 30 September 2023	914,919	56,054	82,733	724,389	843,767	2,621,862
Accumulated depreciation						
At 1 October 2021	668,927	57,471	12,749	322,441	177,088	1,238,676
Charge for the year	100,925	5,210	8,172	26,108	127,281	267,696
Disposals	(84,551)	(21,296)	(2,373)	(5,856)	(149,629)	(263,705)
At 30 September 2022	685,301	41,385	18,548	342,693	154,740	1,242,667
Charge for the year	103,023	5,274	7,941	26,108	75,251	217,597
Disposals	(3,142)	–	–	–	–	(3,142)
At 30 September 2023	785,182	46,659	26,489	368,801	229,991	1,457,122
Carrying amounts						
At 1 October 2021	268,403	18,860	72,357	407,804	795,199	1,562,623
At 30 September 2022	197,686	14,669	64,185	381,696	696,053	1,354,289
At 30 September 2023	129,737	9,395	56,244	355,588	613,776	1,164,740

For the financial year ended 30 September 2023, depreciation charge relating to the Woods Square Office amounted to $48,596 (2022: $54,135), and recorded as expenditure in the Woods Square Office fund (see note 8).

5 Inventories

	2023			2022		
	SAPO	**Support office**	**Total**	**SAPO**	**Support office**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Gifts-in-kind	–	–	–	–	2,202,500	2,202,500

For the financial year ended 30 September 2022, the Branch received gifts-in-kind for distribution to the communities helped by World Vision International. The gifts-in-kind are held in the possession of the Branch, kept in a third party's warehouse and were yet to be distributed to program beneficiaries at the end of the financial year.

6 Receivables

	2023			2022		
	SAPO	**Support office**	**Total**	**SAPO**	**Support office**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Deposits	16,649	2,794	19,443	25,641	1,794	27,435
Staff loans and advances	5	211	216	198	–	198
Donation receivables	–	81,595	81,595	–	60,078	60,078
Advances to head office	–	200,000	200,000	–	–	–
Prepayments	40,200	130,040	170,240	25,204	55,107	80,311
	56,854	414,640	471,494	51,043	116,979	168,022

Deposits, staff loans and advances, donation receivables and advances to head office are unsecured, interest-free and are repayable on demand.

Included in Support office's donation receivables are mainly donation monies received by payment agents and held on behalf of the Branch.

7 Cash and cash equivalents

	2023			2022		
	SAPO	**Support office**	**Total**	**SAPO**	**Support office**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Fixed deposits	–	4,865,000	4,865,000	–	5,215,000	5,215,000
Cash and bank balances	131,842	1,048,790	1,180,632	75,716	1,076,768	1,152,484
	131,842	5,913,790	6,045,632	75,716	6,291,768	6,367,484

Fixed deposits with financial institutions mature at varying periods within 3 months (2022: 2 months) from the financial year-end. Interest rates range from 3.07% to 3.59% (2022: 0.27% to 2.79%) per annum.

8 Woods Square Office Space Fund

On 24 November 2017, the Branch obtained approval to set aside funds of S$1,000,000 from the head office account to cover the cost of renovation and any other costs for the right of abode to the shared space at Woods Square developed by Far East Organisation under the Community Sports Facilities Scheme administered by the Urban Development Authority. Any excess funds not utilised to meet the above commitment will be returned to the head office.

9 Public Response Funds

i) Sudan's Crisis Response Funds

Under the permit granted by the Commissioner of Charities, in pursuance of the provisions of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, for the period of 1 June 2023 to 31 August 2023, funds were raised, including from the public, in support of World Vision South Sudan to carry out emergency relief efforts for Sudan Crisis and Migration refugees. The amount collected, net of program expenditures, was remitted to World Vision South Sudan after the close of the appeal.

ii) Türkiye-Syria's Earthquake Response Funds

Under the permit granted by the Commissioner of Charities, in pursuance of the provisions of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, for the period of 9 February 2023 to 14 May 2023, funds were raised, including from the public, in support of World Vision Jordan to carry out emergency disaster relief efforts. The amount collected, net of program expenditures, was remitted to World Vision Jordan after the close of the appeal.

iii) East Africa's Hunger Emergency Response Funds

Under the permit granted by the Commissioner of Charities, in pursuance of the provisions of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, for the period of 3 October 2022 to 4 January 2023, funds were raised, including from the public, in support of World Vision East Africa countries (in particular, Ethiopia, Kenya, Somalia, Sudan & South Sudan) to carry out emergency hunger relief efforts. The amount collected, net of program expenditures, was remitted to the respective World Vision East Africa countries after the close of the appeal.

iv) Ukraine's Emergency Response Funds

Under the permit granted by the Commissioner of Charities, in pursuance of the provisions of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, for the period of 2 March 2022 to 31 May 2022, funds were raised, including from the public, in support of World Vision Romania to carry out emergency relief for Ukraine refugees arriving in Romania. The amount collected, net of program expenditures, was remitted to World Vision Romania after the close of the appeal.

10 Lease liabilities

Lease liabilities included in the statement of financial position	**2023 SAPO $**	**2022 SAPO $**
Current	57,980	54,973
Non-current	145,013	179,805
	202,993	234,778

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	
	2023 SAPO $	**2022 SAPO $**
At 1 October	234,778	309,405
Changes from financing cash flows		
Payment of lease liabilities	(53,836)	(102,762)
Interest paid	(1,765)	(3,105)
Total changes from financing cash flows	(55,601)	(105,867)
Other liability-related changes		
Interest expense	1,765	3,105
Additions	22,051	28,135
Total liability-related other changes	23,816	31,240
At 30 September	202,993	234,778

11 Other payables and accruals

	2023			**2022**		
	SAPO $	**Support office $**	**Total $**	**SAPO $**	**Support office $**	**Total $**
Current liabilities						
Non-trade payables	75,302	13,015	88,317	224,129	57,560	281,689
Accruals	362,532	404,279	766,811	470,963	602,314	1,073,277
	437,834	417,294	855,128	695,092	659,874	1,354,966

Non-trade payables are unsecured, non-interest bearing and are normally settled within 30 days or on demand.

12 Deferred income

	2023			2022		
	SAPO	Support office	Total	SAPO	Support office	Total
	$	$	$	$	$	$
Deferred income	–	–	–	–	2,202,500	2,202,500

The deferred income comprises gifts-in-kind that are yet to be distributed to program beneficiaries at end of financial year (see note 5).

13 Donations received

The breakdown of the donations received are as follows:

	Note	Support office 2023	Support office 2022
		$	$
Ukraine's Emergency Response Funds	9	–	735,534
East Africa's Hunger Emergency Response Funds	9	264,465	–
Türkiye-Syria's Earthquake Response Funds	9	656,401	–
Sudan's Crisis Response Funds	9	11,426	–
Area Development Program income		671,883	1,436,352
Child sponsorship		13,120,529	13,273,914
Children in Crisis		695,724	803,911
General childcare		519,667	624,446
Relief and rehabilitation		434,739	845,229
Trips and Events		11,699	3,550
Microfinance		106,554	164,209
Youth Ministry		6,096	18,328
Children in the Cities		738,899	642,198
Fight Climate Change		129,316	93,445
Legacy Donation		–	1,332,998
Cash donations received		17,367,398	19,974,114
Gift-in-kind (donated goods/services value)		2,303,790	2,228,683
		19,671,188	22,202,797

14 Other income

	2023 SAPO $	2023 Support office $	2023 Total $	2022 SAPO $	2022 Support office $	2022 Total $
Government grant income	34,484	18,693	53,177	25,821	93,900	119,721
Others	72,475	–	72,475	56	–	56
	106,959	18,693	125,652	25,877	93,900	119,777

15 Programs' expenditures

	2023 SAPO $	2023 Support office $	2023 Total $	2022 SAPO $	2022 Support office $	2022 Total $
Head office account						
Local ministry programs' expenditures	–	332,509	332,509	–	184,970	184,970
Ukraine's Emergency Response Funds						
Digital advertisements	–	–	–	–	2,492	2,492
Exhibition	–	–	–	–	11,276	11,276
Manpower costs	–	–	–	–	9,083	9,083
Others	–	–	–	–	5,183	5,183
	–	–	–	–	28,034	28,034
East Africa's Hunger Emergency Response Funds						
Digital advertisements	–	735	735	–	–	–
Exhibition	–	17,311	17,311	–	–	–
Manpower costs	–	3,726	3,726	–	–	–
Others	–	17,563	17,563	–	–	–
	–	39,335	39,335	–	–	–
Türkiye-Syria's Earthquake Response Funds						
Digital advertisements	–	5,338	5,338	–	–	–
Manpower costs	–	1,685	1,685	–	–	–
Others	–	15,462	15,462	–	–	–
	–	22,535	22,535	–	–	–
Sudan's Crisis Response Funds						
Digital advertisements	–	2,450	2,450	–	–	–
Manpower costs	–	670	670	–	–	–
Others	–	178	178	–	–	–
	–	3,298	3,298	–	–	–
		397,677	397,677	–	213,004	213,004

16 Administrative expenses

Included in administrative expenses are the following items:

	2023			2022		
	SAPO **$**	**Support office** **$**	**Total** **$**	**SAPO** **$**	**Support office** **$**	**Total** **$**
Depreciation on property, plant and equipment	62,468	155,129	217,597	108,960	158,736	267,696
Employee benefits expense:						
- wages and salaries	2,406,879	1,908,268	4,315,147	2,818,917	1,693,100	4,512,017
- employer's contributions to central provident fund	81,240	258,616	339,856	127,348	233,476	360,824
- foreign pension funds	66,662	–	66,662	57,258	–	57,258
- staff benefits	209,888	(11,857)	198,031	721,843	(1,705)	720,138

17 Finance income and finance costs

	2023			2022		
	SAPO **$**	**Support office** **$**	**Total** **$**	**SAPO** **$**	**Support office** **$**	**Total** **$**
Interest income	–	199,985	199,985	–	35,077	35,077
Exchange gain, net	–	–	–	–	13,774	13,774
Finance income	–	199,985	199,985	–	48,851	48,851
Interest on lease liabilities	(1,765)	–	(1,765)	(3,105)	–	(3,105)
Exchange loss, net	(11,045)	(18,018)	(29,063)	(7,162)	–	(7,162)
Finance cost	(12,810)	(18,018)	(30,828)	(10,267)	–	(10,267)
Net finance (cost)/ income recognised in profit or loss	(12,810)	181,967	169,157	(10,267)	48,851	38,584

18 Income tax expense

The Branch is an approved charity organisation under the Charities Act 1994 and exempted from income tax under Section 13(1) (zm) of the Income Tax Act 1947.

19 Leases

Leases as lessee

The Branch leases office and employee accommodation. The leases typically run for a period of 3 years, with an option to renew the lease after that date.

The Branch leases IT equipment with contract terms of four years. These leases are short-term and/or leases of low-value items. The Branch has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Branch is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment (see note 4).

	SAPO 2023 $	Support office 2023 $	Total 2023 $
Balance at 1 October	234,964	461,089	696,053
Depreciation charge for the year	(55,918)	(19,333)	(75,251)
Additions	22,051	–	22,051
Adjustments	–	(29,077)	(29,077)
Balance at 30 September	201,097	412,679	613,776

	SAPO 2022 $	Support office 2022 $	Total 2022 $
Balance at 1 October	309,239	485,960	795,199
Depreciation charge for the year	(102,410)	(24,871)	(127,281)
Additions	28,135	–	28,135
Balance at 30 September	234,964	461,089	696,053

Amounts recognised in profit or loss

	2023			2022		
	SAPO $	Support office $	Total $	SAPO $	Support office $	Total $
Interest on lease liabilities	1,765	–	1,765	3,105	–	3,105
Expenses relating to leases of low-value assets	–	2,651	2,651	–	2,413	2,413

Amounts recognised in statement of cash flows

	2023			2022		
	SAPO $	Support office $	Total $	SAPO $	Support office $	Total $
Total cash outflow for leases	55,601	–	55,601	105,867	–	105,867

20 Significant related party transactions

Significant transactions with related parties, not otherwise disclosed in the financial statements, are as follows:

	Support office	
	2023 $	2022 $
With a business unit of World Vision International - IT services and others	131,921	130,594

Key management personnel compensation

The key management personnel compensation are as follows:

	2023			2022		
	SAPO	**Support office**	**Total**	**SAPO**	**Support office**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Short-term employee benefits	205,566	234,000	439,566	500,823	245,185	746,008
Employer's contributions to central provident fund	–	13,004	13,004	–	13,260	13,260
Foreign pension funds	–	–	–	12,619	–	12,619
	205,566	247,004	452,570	513,442	258,445	771,887

The annual remuneration of the top paid staff employed by SAPO and Support Office respectively, classified in bands of $100,000, are as follows:

	2023			2022		
	SAPO	**Support office**	**Total**	**SAPO**	**Support office**	**Total**
Number of staff with annual remuneration						
- exceeding $300,000 but not more than $400,000	–	–	–	1	–	1
Number of staff with annual remuneration (cont'd)						
- exceeding $200,000 but not more than $300,000	1	1	2	1	1	2
- exceeding $100,000 but not more than $200,000	–	1	1	–	1	1

21 Financial risk management

Overview

The Branch has exposure to the following risks from its operations and use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Branch's exposure to each of the above risks and the Branch's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Risk management is integral to the whole business of the Branch. The Branch has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Branch's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Branch's activities.

Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of borrowers or other counterparties to settle their financial and contractual obligations to the Branch as and when they fall due.

The Branch's exposure to credit risk arises primarily from donation receivables. For other financial assets (including cash and cash equivalents), the Branch minimises credit risk by dealing with high credit rating counterparties.

At the reporting, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

There are no financial assets that are past due or impaired as at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Branch will encounter difficulty in meeting financial obligations due to shortage of funds.

The Branch monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Branch's operations and to mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash flows of financial liabilities:

		Contractual cash flows		
	Carrying amount $	**Total $**	**Within 1 year $**	**Within 1 to 5 years $**
2023				
Non-derivative financial liabilities				
Other payables and accruals*				
- SAPO	140,367	(140,367)	(140,367)	–
- Support office	129,371	(129,371)	(129,371)	–
Lease liabilities – SAPO	202,993	(215,321)	(64,255)	(151,066)
	472,731	(485,059)	(333,993)	(151,066)

	Carrying amount $	Contractual cash flows Total $	Within 1 year $	Within 1 to 5 years $
2022				
Non-derivative financial liabilities				
Other payables and accruals*				
- SAPO	397,625	(397,625)	(397,625)	–
- Support office	111,669	(111,669)	(111,669)	–
Lease liabilities – SAPO	234,778	(236,305)	(55,601)	(180,704)
	744,072	(745,599)	(564,895)	(180,704)

* Exclude payroll and tax payables

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Branch's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Branch's financial instruments will fluctuate because of changes in market interest rates.

The Branch does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The Branch monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Branch are disclosed in note 7 to the financial statements.

Foreign exchange risk

The Branch is primarily exposed to fluctuations in United States Dollars (USD) exchange rates arising from cash flows from anticipated transactions. The Branch reviews periodically monetary assets and liabilities held in currencies other than its functional currency to ensure that net exposure is kept at an acceptable level.

The significant foreign currency amounts held by the Branch are as follows:

	2023			2022		
	SAPO $	**Support office $**	**Total $**	**SAPO $**	**Support office $**	**Total $**
Held in USD						
Cash and cash equivalents	81,045	262,900	343,945	45,570	309,154	354,724
Other payables	(96,603)	–	(96,603)	(394,553)	–	(394,553)
	(15,558)	262,900	247,342	(348,983)	309,154	(39,829)

Sensitivity analysis

A 10% strengthening of the Singapore Dollar against the following currency at the balance sheet date would increase/(decrease) the net surplus and head office account balance by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	2023			2022		
	SAPO	**Support office**	**Total**	**SAPO**	**Support office**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
United States dollars	1,556	(26,290)	(24,734)	34,898	(30,915)	3,983

A 10% weakening of the Singapore Dollar against the above currency would have had the equal but opposite effects on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Classification and determination of fair values of financial instruments

	2023			2022		
	SAPO	**Support office**	**Total**	**SAPO**	**Support office**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Financial assets at amortised cost						
- Receivables*	16,654	84,600	101,254	25,839	61,872	87,711
- Cash and cash equivalents	131,842	5,913,790	6,045,632	75,716	6,291,768	6,367,484
	148,496	5,998,390	6,146,886	101,555	6,353,640	6,455,195
Financial liabilities at amortised cost:						
- Other payables and accruals	437,834	417,294	855,128	695,092	659,874	1,354,966

* Exclude prepayment

The notional financial assets and liabilities with a maturity of less than one year (including receivables, cash and cash equivalents, and other payables) are assumed to approximate their fair values because of the short period to maturity.

No fair value hierarchy information is disclosed for financial assets and liabilities whose carrying amounts are measured on amortised cost basis which approximate their fair value due to their short-term nature and where the effect of discounting is immaterial.

THE FOLLOWING STATEMENTS DO NOT FORM PART OF THE AUDITED STATUTORY FINANCIAL STATEMENTS OF THE BRANCH

Detailed breakdown of administrative expenses
Year ended 30 September 2023

	2023			2022		
	SAPO $	Support office $	Total $	SAPO $	Support office $	Total $
Audit fee	32,767	32,848	65,615	27,007	30,642	57,649
Bank charges	14,525	252,162	266,687	14,058	248,170	262,228
Central provident fund contributions	81,240	258,616	339,856	127,348	233,476	360,824
Consultancy	410,698	–	410,698	433,340	–	433,340
Depreciation on property, plant and equipment	62,468	155,128	217,596	108,960	158,736	267,696
Design & Creatives	–	13,898	13,898	–	–	–
Education/training	23,659	16,960	40,619	9,406	19,672	29,078
Partnership charge backs	–	60,238	60,238	–	32,133	32,133
Goods in kind expenses	–	10,209	10,209	–	19,044	19,044
Foreign pension funds	66,662	–	66,662	57,258	–	57,258
Hospitality and refreshments	14,588	6,204	20,792	14,982	2,404	17,386
Hosting	35,735	–	35,735	(25,741)	–	(25,741)
Internet	–	14,575	14,575	–	14,473	14,473
IT hardware	–	656	656	–	5,543	5,543
IT services	–	189,024	189,024	–	236,005	236,005
IT software	–	33,836	33,836	–	26,727	26,727
Legal and professional fees	12,142	11,558	23,700	4,279	1,102	5,381
Mail handling cost	–	23,916	23,916	–	23,638	23,638
Medical expenses and insurance	890	35,917	36,807	2,611	34,665	37,276
Ministry supplies	–	–	–	5,932	–	5,932
Postages	2,781	73,794	76,575	1,360	72,633	73,993
Printing	1,987	51,099	53,086	2,419	57,612	60,031
Lease expenses	–	2,651	2,651	–	2,413	2,413
Leads Management	–	3,236	3,236	–	–	–
Publicity/advertising	684	231,547	232,231	–	304,750	304,750
Recruitment expenses	–	57,317	57,317	–	2,463	2,463
Rent – miscellaneous	3,780	1,186	4,966	868	1,177	2,045
Salaries	2,406,879	1,908,268	4,315,147	2,818,917	1,693,100	4,512,017
Staff benefits	209,888	(11,857)	198,031	721,843	(1,705)	720,138
Staff relations	–	882	882	–	3,915	3,915
Stationery	22,035	1,340	23,375	7,195	671	7,866
Telephone and telex	11,211	4,885	16,096	6,479	4,296	10,775
Temporary help	–	2,000	2,000	–	7,725	7,725
Transport	–	516	516	–	249	249
Travelling expenses	555,697	25,177	580,874	205,891	27,306	233,197
Upkeep of office	12,880	86,042	98,922	9,155	85,297	94,452
Upkeep of office equipment	197,573	2,412	199,985	36,449	2,471	38,920
Utilities	13,436	16,710	30,146	13,697	9,985	23,682
	4,194,205	3,572,950	7,767,155	4,603,713	3,360,788	7,964,501