



Charity Division Annual Report

(1 April 2022 - 31 March 2023)

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ABOUT US

The People's Action Party Community Foundation - Charity Division (PCF-CD) was set up on 23 July 2002. It was granted the Institution of a Public Character (IPC) status from 24 July 2002, and charity status from 25 July 2002.

Objectives

The objects of the PCF-CD are:

- a) To promote the welfare and interests of the citizens of, and residents in Singapore without distinction of sex, race or religion.
- b) To advance and improve the standard of life and social well-being in Singapore by:
 - i) Fostering, developing and improving education of all kinds, and in any such manner as may, from time to time, be decided upon by the Charity including but without prejudice to the generality of this provision, the founding and maintenance of scholarships, bursaries, study loans and the endowment of chairs at schools, colleges and universities.
 - ii) Providing playing fields and recreation grounds for the public, and fostering and developing by such means as may from time to time be determined upon, all healthy, sporting and recreational activities in all parts of Singapore; and
- c) To establish and maintain or to secure the establishment and maintenance of centres for community development (hereinafter called "the centres") and to maintain and manage or to co-operate with any governmental or statutory body, association or other local citizen group in the maintenance and management of, such centres for activities promoted by the Charity and its constituent bodies in furtherance of the above objects.
- d) The relief of human suffering, the combating, treatment and prevention of sickness and disease, and in particular the provision of or contribution towards medical and scientific research and teaching of all kinds and providing for the victims of fire, flood, famine, war, pestilence or any other calamities.
- e) The relief of poor and needy persons who by reason of age, ill health, misfortune or infirmity are wholly or in part unable to maintain themselves and their dependents by their own exertions and in particular widows and orphans, by providing and maintaining homes for the aged, the sick and the handicapped.

- f) To aid, assist and give relief in any manner and to any extent to any charitable institution whose object or objects are similar to or comparable with the objects of the Charity, including hospitals, sanatoria, homes or places of refuge or shelter, educational institutions, schools, orphanages, libraries, universities, industrial welfare establishments and other charitable organisations provided always that notwithstanding anything heretofore contained no grant or assistance shall be given which shall be in aid of any political organisation or for any political purpose.
- g) To assist by way of grants, donations or otherwise such charitable, educational or other work, object or endeavour in Singapore as the Charity considers desirable in the interests of, or in furtherance of, the objects of the Charity.

CHAIRMAN'S MESSAGE

As a community foundation, PCF seeks to strengthen the quality of preschool education in Singapore and keep it accessible to all. We also aim to help needy families take care of frail seniors.

Sparkle Charity provides additional support to those who need it most.

For example, our flagship Enhanced Headstart Fund Programme (EHSF) boosts the ability of low-income households to cope with school expenses. In 2022, nearly \$2.4 million was disbursed to support 13,600 children. We enabled some 4,800 K2 children to participate part in enrichment activities, fostering their learning and growth within and outside school.

In collaboration with Temasek Foundation, we provide top-ups to the Child Development Accounts (CDA) so that families have more resources to support the development needs of their children even after they have graduated from our centres. About \$3.4 million has been invested in this noble cause. In 2022, nearly \$1.8 million in top-ups were provided to almost 9,000 children.

In 2022, we supported the community through other means, such as:

- Initiating the “Milk and Diaper Programme” for about 550 infants from low-income households
- Distributing 6,000 education toolkits, 14,000 Healthy Me Packs, and 3,000 School Readiness Packs to children from low-income households
- Partnering with polytechnics to offer \$145,000 in Study Awards

Our programmes benefitted from the generosity of our donors. They include the PAP's Northwest District, which raised \$420,000, and its Teck Ghee Branch, which raised \$2 million.

PCF-Charity Division remains committed to helping children, seniors and families in need. We want to build a cohesive and inclusive society where everyone can succeed. We will adopt an organization-wide approach to our CSR efforts in the next five years. This means that everyone in PCF will be involved in making a difference in our communities.

We thank our sponsors and members of our Charity Management Committee for their contributions. We would also like to thank the PCF Branch Chairmen, committee members, volunteers, and staff for their unwavering support.



Mrs Josephine Teo
Chairman
PCF Charity Management Committee

PCF CHARITY MANAGEMENT COMMITTEE



Chairman

Mrs Josephine Teo

Minister for Communications and Information
Second Minister for Home Affairs
Date of Appointment: 13/06/2022



Treasurer

Ms Low Yen Ling

Minister of State,
Ministry of Culture, Community and Youth &
Ministry of Trade and Industry
Date of Appointment: 01/10/2020



Member

Ms Indraneel Thurai Rajah
Minister in the Prime Minister's Office
Second Minister for Finance and National Development
Date of Appointment: 01/03/2016



Member

Mr Heng Chee How
Senior Minister of State, Ministry of Defence
Date of Appointment: 01/06/2011

Photos Credit: People's Action Party



Member

Ms Sim Ann

Senior Minister of State, Ministry of National Development &
Ministry of Foreign Affairs
Date of Appointment: 01/06/2011



Member

Dr Amy Khor Lean Suan

Senior Minister of State,
Ministry of Sustainability and the Environment &
Ministry of Transport
Date of Appointment: 01/03/2016



Member

Ms Rahayu Mahzam

Senior Parliamentary Secretary,
Ministry of Health & Ministry of Law
Date of Appointment: 01/10/2020



Member

Ms Ng Ling Ling

Member of Parliament
Date of Appointment: 21/03/2022



Member

Ms Yeo Wan Ling

Member of Parliament
Date of Appointment: 21/03/2022

Photos Credit: People's Action Party

MANAGEMENT

PCF-CD employed 3 staff to run its operations. All the administrative services for the PCF-CD for FY2022 were provided by employees of the PAP Community Foundation.

UEN NUMBER AND REGISTERED ADDRESS

UEN Number	:	T02CC1585L
Charity Status	:	Registered
Date of Charity Registration	:	25/07/2002
IPC Status	:	Live
IPC Period	:	From 24/07/2020 to 23/07/2024
Registered Address	:	57B New Upper Changi Road #01-1402 PCF Building Singapore 463057
Website	:	https://www.pcf.org.sg
Primary Sector	:	Social and Welfare
Banker	:	DBS Bank Ltd
Auditor	:	Deloitte & Touche LLP

ANNUAL REMUNERATION OF TOP 3 EXECUTIVES

There was no staff who received more than \$100,000 in annual remuneration.

There was no paid staff who are close members of the family of the Executive Head or Board Member, who received more than \$50,000 in annual remuneration during the year.

REMUNERATION OF PCF CMC MEMBERS

There was no claim by any PCF Charity Management Committee members (CMC) for services provided to the PCF-CD, either by reimbursement to them or by providing them with an allowance or by direct payment to a third party.

MEMBERS SERVING BEYOND THE 10-YEAR TERM

Mr Heng Chee How and Ms Sim Ann have served the organisation since 1 June 2011. The organisation is retaining their services due to their vast experiences in the Social Service Sector.

CONFLICT OF INTEREST POLICY

All CMC members and employees of the PCF-CD are required to read and understand the Conflict of Interest Policy in place and make full disclosure of any interests, relationships, and holdings that could potentially result in a Conflict of Interest. When a Conflict of Interest situation arises, the member / employee shall abstain from participating in the discussion, decision making and voting on the matter.

ENTERPRISE RISK MANAGEMENT

As part of risk management process, PCF reviews and updates the Management and the PCF Charity Management Committee (CMC), and the risk register periodically. Process owners review their processes, assess the adequacy of controls and put in place mitigating controls where applicable. Key risks will be discussed at Management meetings and updates are provided to the CMC.

PERSONAL DATA PROTECTION ACT (PDPA)

The PDPA establishes a data protection law that comprises various rules governing the collection, use, disclosure and care of personal data. PCF recognises the rights of individuals to protect their personal data, including rights of access and correction. PCF has implemented policies and processes to ensure compliance and data integrity is not compromised. All employees are required to undergo PDPA training and additional security arrangements have been adopted to prevent unauthorized access, collection, use, disclosure, copying, modification or disposal of the personal data.

RESERVES POLICY

The PCF-CD's policy is to maintain operating reserves of six (6) to twelve (12) months of our annual operating expenditure budget. This is to ensure that our programmes can be sustained even with fund-raising shortfalls. Operating reserves exclude all building, project, endowment and sinking funds.

WHISTLE BLOWING POLICY

A Whistle Blowing Policy is in place to drive governance and a systemic flow of information across the Organisation. The Management nurtures a strong culture of integrity by ensuring there are accessible feedback channels for all employees and members of the public to the Audit and Risk Committee.

CODE OF GOVERNANCE

PCF-CD is committed to lawful and ethical behaviour in all our activities and requires our CMC members, employees, volunteers and consultants to conduct themselves in a manner that adhere to all applicable laws, regulations and internal policies. In keeping with this commitment, we aim to comply with the Code of Governance for Charities. PCF-CD's Governance Evaluation Checklist for the period 01 April 2021 to 31 March 2022 can be viewed at the Charity Portal:- www.charities.gov.sg.

PCF CHARITY MANAGEMENT COMMITTEE MEMBER'S MEETING ATTENDANCE RECORD

Name of Board Members	Position	Attendance Records
Mrs Josephine Teo	Chairman	2 of 2
Ms Low Yen Ling	Treasurer	0 of 2
Ms Indranee Rajah	Member	1 of 2
Mr Heng Chee How	Member	2 of 2
Ms Sim Ann	Member	2 of 2
Dr Amy Khor	Member	2 of 2
Ms Rahayu Mahzam	Member	0 of 2
Ms Ng Ling Ling	Member	2 of 2
Ms Yeo Wan Ling	Member	2 of 2

EVENTS

Enhanced HeadStart Fund Programme



Enhanced Headstart Fund Programme (EHSF) is our flagship initiative targeted to give Sparkletots children from the low-income families an equal opportunity in education and their life. In FY 2022, we have distributed \$2.37M and supported 13,600 children with their school fees and education-related cost.

In addition, as part of our EHSF activities, some 4,800 children from K2 benefitted from a series of curated enrichment activities and learning journeys sponsored by PCF. These activities are organised for centres with a higher number of low-income children in their K2 cohort, and aim to provide children from low-income families with the necessary learning and social mixing opportunities beyond the classroom. The curated activities included BRAVE Adventure Day Camp @ Imbiah Trail, Art Jam Warrior, Junior Underwater Exploration @ SEA Aquarium, and Conservation Learning @ Zoo.

Temasek Foundation First Step Programme

Since its inception in May 2021, the Child Development Account (CDA) top-up scheme launched by PCF and Temasek Foundation, had provided extra support for PCF Sparkletots children from low-income households. This scheme is funded by Temasek Foundation at \$3.38 million. The aim of the programme is to make preschool education accessible for every child from their early years through early enrolment and continued enrollment in the preschool.

For FY 2022, PCF distributed a total of \$1.75 million, benefitting 8,788 children.

Milk and Diaper Programme



Launched in Aug 2022, the Milk and Diaper programme is a one-year programme aimed at supporting the needs of infants from low-income households. \$100 e-vouchers were disbursed monthly to eligible parents for the purchase of milk powder and milk. In total, 547 infants and families benefitted from this programme.

Smart Me Pack



6,000 sets of education toolkits were distributed to K1 and K2 PCF Sparkletots children from low-income families. These education toolkits were given out in conjunction with Children's Day to support the children in their learning journey. The education toolkit included curated storybooks written by local authors, Crayola Scribble Scrubbie activity set, Stabilo Stationery Set, Hallmark A4 Expandable Carry Folder, and a Recycle Foldable Bag.

Healthy Me Pack



14,000 Healthy Me packs were distributed to PCF Sparkletots children from low-income families. These packs were given out to promote health and hygiene amongst underprivileged children. Items in the Healthy Me packs include a first-aid kit, mosquito patches, toothbrush and toothpaste set, water bottle, children's plate and utensils set, waterproof bag, children's wipe, hand sanitisers, cotton balls, and a PCF eco bag.

School Readiness Pack

3,000 School Readiness Packs consisting of Popular and BATA vouchers were given to graduating children in K2 from low-income families to support their future learning and educational needs.

PCF Polytechnic Study Awards

In FY 2022, PCF continued to work with the 5 local Polytechnics to give out the PCF Polytechnic Study Awards to deserving students. In total, 50 outstanding students received the study award amounting to \$145,000.

NorthWest District PCF Fundraiser 2022

Amidst the recovery and improvement of the pandemic, the NorthWest District garnered the support of the community to conduct a NorthWest District PCF Fundraiser 2022. We successfully raised \$420,000 for the less privileged and lower-income families.

PCF Family Day 2022



PCF celebrated its annual Family Day at the Singapore Zoo on 11 September 2022 with 1,000 participants comprising staff, families, and children from PCF Sparkletots. Themed “Going Green Begins With Me”, the event promoted sustainability and family bonding through performances, a sustainability trail, and an art exhibition. The art exhibition featured 90 artworks by PCF Sparkletots children, created using different art mediums to reflect their understanding of climate change and sustainability.

Guest-of-Honour Deputy Prime Minister Lawrence Wong attended the event, together with Minister Josephine Teo (PCF Council Chairman), Minister Gan Kim Yong, and Senior Minister of State Dr Amy Khor. At the event, the Council Chairman presented \$420,000 that were raised at the NorthWest District PCF Fundraiser to 16 social service agencies and beneficiaries to uplift the vulnerable and less privileged in the community.

Teck Ghee Fundraising Dinner 2022

In October 2022, the Teck Ghee branch organised a Fundraising Dinner to raise funds for welfare assistance to needy families and to provide affordable quality educational services and other welfare and youth services in the community. A total of around \$2 million was raised.

Bag to School Bazaar



On 18 Dec 2022, PCF organised our inaugural “Bag to School Bazaar”. The event was graced by Minister for Communications and Information, Mrs Josephine Teo, and attended by CEO of PCF, Mr Victor Bay. Many PCF staff helped out at this event too. This bazaar is a free shopping experience and parent-child bonding activity for Sparkletots children from low-income families with an annual household income below \$4,500. Children get to shop and choose the educational items that they need, together with their parents. Items distributed at this bazaar include story books, stationery, activity sets, and hygiene essentials. These items were sponsored by PCF, our Sparkletots parents, and community partners. A total of 175 children and their families benefitted from this programme.

PCF Corporate Social Responsibility (CSR) Event



On 30th Mar 2023, PCF organised a HQ-led Corporate Service Responsibility (CSR) event for the Active Aging Seniors from PCF Sparkle Care @ Shun Fu. In collaboration with Cycling Without Age Singapore, our HQ Staff team brought a total of 24 seniors to enjoy a trishaw ride along the beautiful Passion Wave @ Marina Bay. The trishaw ride was flagged off by the Minister of State for Education and Manpower, Ms Gan Siow Huang. Besides the trishaw ride, the seniors also participated in some fun games, activities, and enjoyed a scrumptious lunch.



**PAP COMMUNITY FOUNDATION
CHARITY DIVISION
(Registration No. T02CC1585L)**

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED
MARCH 31, 2023**

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

DIRECTORS' STATEMENT

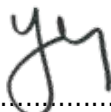
In the opinion of the directors,

- (a) the financial statements of PAP Community Foundation - Charity Division (the "Charity Division") set out on pages 22 to 39 are drawn up in accordance with the provisions of the Charities Act 1994 (the "Charities Act") and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the Charity Division as at March 31, 2023 and the financial performance, changes in endowment fund and revenue reserve and cash flows of the Charity Division for the financial year ended March 31, 2023;
- (b) the use of donation moneys is in accordance with the objectives of the Charity Division as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;
- (c) the Charity Division has complied with Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations;
- (d) the accounting and other records required by the Charities Act have been properly kept in accordance with the provisions of the Charities Act; and
- (e) as at the date of this statement, there are reasonable grounds to believe that the Charity Division will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS



.....
Josephine Teo-Yong Li Min
Chairman



.....
Low Yen Ling
CMC Treasurer

August 31, 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF
PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PAP Community Foundation - Charity Division (the "Charity Division"), which comprise the statement of financial position as at March 31, 2023, and the statement of comprehensive income, statement of changes in endowment fund and revenue reserve 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 22 to 39.

The Charity Division is a segment of PAP Community Foundation ("the Foundation") and is not a separately incorporated legal entity. The attached financial statements have been prepared solely from the records of the Charity Division and reflect only the transactions recorded therein.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act 1994 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Charity Division as at March 31, 2023 and of the financial performance, changes in endowment fund and revenue reserve and cash flows of the Charity Division for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Charity Division in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement, the Supplementary Statement of Comprehensive Income and the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF
PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

Responsibilities of Management and Directors for the Financial Statements

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

The directors' responsibilities include overseeing the Charity Division's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity Division's internal control.
- (c) 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 MANAGEMENT COMMITTEE OF
PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

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

- (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 Charity Division'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 Charity Division to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Charities Act to be kept by the Charity Division have been properly kept in accordance with the provisions of the Charities Act.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) the Charity Division has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Charity Division has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Public Accountants and
Chartered Accountants
Singapore

August 31, 2023

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**STATEMENT OF FINANCIAL POSITION
March 31, 2023**

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
<u>ASSETS</u>			
Current assets			
Cash at bank	5	12,417,072	10,768,413
Fixed deposits	6	16,533,095	16,471,561
Other receivables	7	595,621	24,024
Total current assets		<u>29,545,788</u>	<u>27,263,998</u>
Non-current asset			
Property, plant and equipment	8	<u>187,809</u>	<u>201,616</u>
Total assets		<u>29,733,597</u>	<u>27,465,614</u>
<u>LIABILITIES, ENDOWMENT FUND AND REVENUE RESERVE</u>			
Current liabilities			
Other payables	9	2,233,933	1,249,053
Other payables to Service Division		247,170	50,740
Total current liabilities		<u>2,481,103</u>	<u>1,299,793</u>
Endowment fund and revenue reserve			
Endowment fund	10	4,000,000	4,000,000
Headstart fund	11	5,614,428	5,479,966
Revenue reserve		17,638,066	16,685,855
Total endowment fund and revenue reserve		<u>27,252,494</u>	<u>26,165,821</u>
Total liabilities, endowment fund and revenue reserve		<u>29,733,597</u>	<u>27,465,614</u>

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**STATEMENT OF COMPREHENSIVE INCOME
Financial year ended March 31, 2023**

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
Income	12	7,289,090	3,253,713
Donation and direct charitable expenses		(4,833,733)	(2,481,990)
Fund raising expenses		(101,300)	(38,377)
Employee benefits expense	13	(216,268)	(166,543)
Depreciation expense	8	(16,003)	(16,821)
Other operating expenses	14	<u>(323,483)</u>	<u>(62,305)</u>
Surplus before tax	15	1,798,303	487,677
Income tax	16	<u>-</u>	<u>-</u>
Surplus for the financial year, representing total comprehensive income for the financial year		<u>1,798,303</u>	<u>487,677</u>

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**STATEMENT OF CHANGES IN ENDOWMENT FUND AND REVENUE RESERVE
Financial year ended March 31, 2023**

	Endowment fund	Headstart fund	Revenue reserve	Total
	\$	\$	\$	\$
Balance at April 1, 2021	4,000,000	5,153,158	16,306,042	25,459,200
Movement between revenue reserve and Headstart fund	-	2,300	(2,300)	-
Surplus for the financial year, representing total comprehensive income for the financial year	-	-	487,677	487,677
Transactions with owner recognised directly in equity:				
Transfer to the Foundation	-	-	(105,564)	(105,564)
Contribution from the Foundation	-	324,508	-	324,508
Total	-	324,508	(105,564)	218,944
Balance at March 31, 2022	4,000,000	5,479,966	16,685,855	26,165,821
Movement between revenue reserve and Headstart fund	-	4,750	(4,750)	-
Surplus for the financial year, representing total comprehensive income for the financial year	-	-	1,798,303	1,798,303
Transactions with owner recognised directly in equity:				
Transfer to the Foundation	-	-	(841,342)	(841,342)
Contribution from the Foundation	-	129,712	-	129,712
Total	-	129,712	(841,342)	(711,630)
Balance at March 31, 2023	<u>4,000,000</u>	<u>5,614,428</u>	<u>17,638,066</u>	<u>27,252,494</u>

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**STATEMENT OF CASH FLOWS
Financial year ended March 31, 2023**

	2023	2022
	\$	\$
Operating activities		
Surplus before tax	1,798,303	487,677
Adjustments for:		
Depreciation expense	16,003	16,821
Interest income	(363,587)	(61,150)
Operating surplus before changes in working capital	1,450,719	443,348
Other receivables	(369,885)	54,151
Other payables	984,880	1,181,143
Other payables to Service Division	196,430	(2,136,579)
Net cash from (used in) operating activities	2,262,144	(457,937)
Investing activities		
Purchase of plant and equipment	(2,196)	-
Interest received	161,875	72,416
Net cash from investing activities	159,679	72,416
Financing activity		
Funds transfer (to) from Foundation, representing net cash (used in) from financing activity	(711,630)	218,944
Net increase (decrease) in cash and cash equivalents	1,710,193	(166,577)
Cash and cash equivalents at beginning of financial year	27,239,974	27,406,551
Cash and cash equivalents at end of financial year (Note A)	28,950,167	27,239,974

Note A

Cash and cash equivalents consist of:

Cash at bank	12,417,072	10,768,413
Fixed deposits	16,533,095	16,471,561
Total	28,950,167	27,239,974

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

1 GENERAL

The PAP Community Foundation (the "Foundation") (Registration No. 198601011Z) was incorporated in the Republic of Singapore on May 17, 1986 as a public company limited by guarantee. Its registered office and principal place of business is at Blk 57B, New Upper Changi Road, #01-1402 PCF Building, Singapore 463057. The liability of each member of the Foundation is limited to an amount as may be required but not exceeding \$100. No contribution has been made by the members since the date of incorporation. There are ten members in the Foundation.

The Charity Division (Registration No. T02CC1585L) is a part of the Foundation and the attached financial statements have been prepared from the records of the Charity Division and reflect only the transactions recorded therein. The Service Division forms the remaining part of the Foundation and the combined financial statements are presented separately. The Service Division supports the activities of the Foundation in areas such as pre-school and senior care centres development and provide financial assistance to needy students. The Charity Management Committee (the "CMC") led by Chairman, Mrs Josephine Teo is tasked to oversee the activities of the Charity Division to ensure its objectives are met.

The financial statements are expressed in Singapore dollars, which is the Charity Division's functional currency.

On May 17, 1986, the Foundation was gazetted as an Institution of a Public Character and is exempted from income tax. The Institution of Public Character status expired on May 16, 2001 but was extended for 5 years from May 16, 2001 to May 15, 2006. On July 23, 2002, an internal division, Charity Division was set up and was granted charity status on July 25, 2002. The Institution of Public Character status was also granted for a period of five years with effect from July 24, 2002 and was subsequently extended to July 23, 2024. On July 24, 2002, the Foundation voluntarily gave up its Institution of Public Character ("IPC") status and transferred funds to the Charity Division.

Upon dissolution of the Charity Division, the remaining funds shall be distributed to other charitable organisations which are approved IPCs under Section 37(2) of the Income Tax Act and registered under the Charities Act 1994.

The principal activity of the Charity Division is to promote the welfare and interests of the citizens of Singapore and to give donations to charitable/educational or other works in Singapore and the relief of poor and needy.

The financial statements of the Charity Division for the financial year ended March 31, 2023 were authorised for issue by the Board of Directors on August 31, 2023.

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Charities Act 1994 and Financial Reporting Standards in Singapore ("FRSs").

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

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Charity Division takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

STANDARDS ISSUED BUT NOT EFFECTIVE - At the date of authorisation of these financial statements, Management has considered and is of the view that there are no FRSs pronouncements relevant to the Charity Division.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Charity Division becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Charity Division recognises a loss allowance for expected credit losses ("ECL") on other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Charity Division recognises lifetime ECL on other receivables when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Charity Division measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Charity Division compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Charity Division considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Charity Division presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Charity Division has reasonable and supportable information that demonstrates otherwise.

The Charity Division assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Charity Division regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Charity Division considers that default has occurred when a financial asset is more than 90 days past due unless the Charity Division has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Charity Division writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Charity Division's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

Measurement and recognition of ECL

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Charity Division in accordance with the contract and all the cash flows that the Charity Division expects to receive, discounted at the original effective interest rate.

If the Charity Division has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Charity Division measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Charity Division derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Charity Division neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Charity Division recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Charity Division retains substantially all the risks and rewards of ownership of a transferred financial asset, the Charity Division continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Charity Division are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Charity Division after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently received at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Charity Division derecognises financial liabilities when, and only when, the Charity Division's obligations are discharged, cancelled or expired.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Charity Division has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

ENDOWMENT FUND - The endowment fund forms part of a \$10 million endowment fund approved by the Commissioner for Inland Revenue for the Charity Division. The fund is to be built up using past and future surpluses from the revenue reserve. There is no planned timing of use for the fund

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	3.33% to 20%
Furniture and fittings and other assets	-	20% to 33.3%
Information technology projects/computers	-	33.3%

The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

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 profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Charity Division reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Charity Division estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Charity Division has a present obligation (legal or constructive) as a result of a past event, it is probable that the Charity Division will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Charity Division will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Charity Division should purchase, construct or otherwise acquire non-current assets are deducted in calculating the carrying amount of the assets and recognised in profit or loss over the life of the depreciable assets as a reduced depreciation expense.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Charity Division with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Charity Division recognises revenue when it transfers control of services to a customer.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Donation income

Donation income is recognised when the rights to receive such payment have been established.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Charity Division's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Charity Division are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which the Charity Division operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Charity Division's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash at bank, demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES
OF ESTIMATION UNCERTAINTY**

In the application of the Charity Division's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgments in applying the Charity Division's accounting policies

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amount recognised in the financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	2023	2022
	\$	\$
Financial assets		
Financial assets at amortised cost	<u>29,516,751</u>	<u>27,263,998</u>
Financial liabilities		
Financial liabilities at amortised cost	<u>2,481,103</u>	<u>1,299,793</u>

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The Charity Division does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

(c) *Financial risk management policies and objectives*

The Charity Division's overall financial risk management programme seeks to minimise potential adverse effects on the financial performance of the Charity Division. The Charity Division has adopted risk management policies that seek to mitigate these risks in a cost-effective manner.

There has been no significant change to the Charity Division's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign currency risk management

The Charity Division does not have any significant exposure to foreign exchange risk as it transacts mainly in Singapore dollars.

No sensitivity analysis is prepared as the Charity Division does not expect any significant effect on the Charity Division's profit or loss arising from the effects of reasonably possible changes to foreign currency exchange rates.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

(ii) Interest rate risk management

The Charity Division's policy is to maintain cash and cash equivalents in fixed interest rate instruments. Interests bearing financial assets are mainly bank balances which are all short-term in nature.

No sensitivity analysis is prepared as the Charity Division does not expect any significant effect on the Charity Division's profit or loss arising from the effects of reasonably possible changes to interest rates.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Charity Division.

The Charity Division's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Other receivables: 12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Charity Division has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Charity Division's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit assessment	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$	\$	\$
<u>2023</u>						
Other receivables	7	Performing	12-month ECL	566,584	-	566,584
<u>2022</u>						
Other receivables	7	Performing	12-month ECL	24,024	-	24,024

The Charity Division places its cash with reputable institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses represents the Charity Division's maximum exposure to credit risk.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

(iv) Liquidity risk management

The Charity Division maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

The Charity Division ensures sufficient liquidity at all times by efficient cash management and the Charity Division's ability to meet its obligations is managed by maintaining highly liquid assets in the form of time deposits.

All financial assets and financial liabilities as at the end of the financial period are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

(v) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities as reported on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(d) *Capital management policies and objectives*

The Charity Division manages its capital to ensure that the Charity Division will be able to continue as a going concern.

The capital structure of the Charity Division consists of funds and reserves as presented in the statement of changes in endowment fund and revenue reserve.

The Charity Division's overall strategy remains unchanged from the previous financial year.

5 CASH AT BANK

As at March 31, 2022, the Foundation had received \$1,690,000 which was held in trust under the Temasek Foundation – Sparkletots First Step Programme, a joint collaboration between Temasek Foundation and PAP Community Foundation. The programme aims to provide financial support through annual CDA top-up to the children from lower-income families for the educational and healthcare needs in preschool. The Foundation has fully utilised the amount held in trust during the financial year. This amount held in trust as at March 31, 2022 was not included in cash and cash equivalents and payables.

6 FIXED DEPOSITS

Fixed deposits bear interests ranging from 3.1% to 4.1% (2022 : 0.26% to 0.35%) per annum and for a tenure of less than 12 months. The fixed deposits qualify as cash equivalents as they can be withdrawn at any point in time, except that the interest may be forfeited.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

7 OTHER RECEIVABLES

	2023	2022
	\$	\$
Prepayments	21,180	-
Interest receivables	225,736	24,024
Donation receivables	340,848	-
Grant receivables	7,857	-
Total	<u>595,621</u>	<u>24,024</u>

Management believes that no loss allowance for other receivables is required as there has been no significant change in credit quality and the amount of receivables are recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

8 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture and fittings and other assets	IT projects and computers	Renovation in progress	Total
	\$	\$	\$	\$	\$
Cost:					
At April 1, 2021 and March 31, 2022	509,690	12,188	3,649	-	525,527
Additions	-	-	-	2,196	2,196
At March 31, 2023	<u>509,690</u>	<u>12,188</u>	<u>3,649</u>	<u>2,196</u>	<u>527,723</u>
Accumulated depreciation:					
At April 1, 2021	291,253	12,188	3,649	-	307,090
Depreciation	16,821	-	-	-	16,821
At March 31, 2022	<u>308,074</u>	<u>12,188</u>	<u>3,649</u>	<u>-</u>	<u>323,911</u>
Depreciation	16,003	-	-	-	16,003
At March 31, 2023	<u>324,077</u>	<u>12,188</u>	<u>3,649</u>	<u>-</u>	<u>339,914</u>
Carrying amount:					
At March 31, 2023	<u>185,613</u>	<u>-</u>	<u>-</u>	<u>2,196</u>	<u>187,809</u>
At March 31, 2022	<u>201,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,616</u>

9 OTHER PAYABLES

	2023	2022
	\$	\$
Accruals	269,688	1,249,053
Donation payable (third parties)	1,958,245	-
Others	6,000	-
Total	<u>2,233,933</u>	<u>1,249,053</u>

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

10 ENDOWMENT FUND

The endowment fund forms part of a \$10 million endowment fund approved by the Commissioner for Inland Revenue Authority of Singapore. The fund is to be built up using past and future surpluses from the revenue reserve. There is no planned timing of use for the fund.

11 HEADSTART FUND

This represents the fund available to provide financial assistance to young children from lower income families.

12 INCOME

	2023	2022
	\$	\$
Donation income (tax-exempt)	5,151,236	1,821,451
Donation income (non tax-exempt)	1,738,558	1,363,409
Grant income	11,086	6,703
Interest income on fixed deposits	363,587	61,150
Others	24,623	1,000
Total	<u>7,289,090</u>	<u>3,253,713</u>

Donations (tax-exempt) amounting to \$664,762 (2022 : \$137,390) was received by the Charity Division for the Senior Care and Aged Care Centres. This donation was subsequently transferred to the Senior Care Centre and Aged Care Centre managed by the Service Division for the purpose of submission of request for matching grant from Community Service Trust ("CST") managed by the Agency of Integrated Care (Ministry of Health).

13 EMPLOYEE BENEFITS EXPENSE

	2023	2022
	\$	\$
Employee benefits expense include the following:		
Costs of defined contribution plans	<u>31,077</u>	<u>23,530</u>

14 OTHER OPERATING EXPENSES

	2023	2022
	\$	\$
Floral/Gifts	22,181	17,473
Functions and activities	226,689	10,697
Insurance	302	294
Refreshment	3,212	3,579
Repair and maintenance	-	930
Project expenses	49,205	22,688
Others	21,894	6,644
Total	<u>323,483</u>	<u>62,305</u>

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2023**

15 SURPLUS BEFORE TAX

The remuneration of key management personnel is paid by the Foundation.

16 INCOME TAX

The Charity Division is an approved charity under the Charities Act 1994. Subject to compliance with certain conditions of the Income Tax Act 1947, the Charity is exempt from income tax.

17 CORPORATE SOCIAL RESPONSIBILITIES PROGRAMME

In connection with PAP Community Foundation's corporate social responsibilities ("CSR") programmes, the Foundation has committed to contribute at least 10% of its surplus each year.

The Charity Division has been tasked to manage the CSR programmes which includes the Headstart Fund. In the current reporting period, \$4,162,733 (2022 : \$5,478,458) of financial assistance has been disbursed as part of the Foundation's CSR programmes and commitment.