



PAP COMMUNITY FOUNDATION

CHARITY DIVISION

ANNUAL REPORT

(1 April 2015 – 31 March 2016)

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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 Institution of a Public Character (IPC) status from 24 July 2002, and charity status from 25 July 2002.

Objectives

The objects for which the Charity is established 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 wellbeing 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.
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CHAIRMAN'S MESSAGE

The People's Action Party Community Foundation-Charity Division (PCF-CD) continues to fulfill our mission of enhancing the well being of our community through several major activities in Year 2015/2016.

Fund Raising

The PCF Charity Division continues to fulfil its mission of enhancing the well-being of our community through several major activities. PCF Branches organised fund-raising events to support a range of resident-centric welfare programmes and for the PCF-Charity Division. In all, PCF received donations of \$5.1m in Year 2015/2016.

PCF Polytechnic Study Awards

At the PCF Polytechnic Study Awards Ceremony held on Saturday, 11 July 2015 at the HomeTeamNS-JOM Balestier Clubhouse, PCF presented 50 Study Awards of \$2,700 each to deserving students from the five polytechnics. Since 1999 when the awards were started, PCF has supported 785 polytechnic students with disbursements amounting \$1,592,000.

PCF Headstart Fund (HSF)

Established in 2004, the PCF HSF provides financial assistance to lower income families for their children's pre-school education. In 2015/2016, HSF gave out a total of \$43,350 to support 124 children who each received \$50 per month, or \$100 for those with special needs. Since 2004, \$3,166,009 have been disbursed to support 6083 children.

PCF Alumni Book Prize

In Year 2015/2016, 49 former PCF pupils were presented with Book Prizes worth \$200 each. They were recognized for their academic performance, good conduct and other school achievements based on the recommendations of their primary school principals.

PCF Senior Care Development Fund

To better support our intent to build up senior care services, a new PCF Senior Care Development Fund was set up.

Mini-Molly Project with National Library Board (NLB)

PCF collaborated with NLB on the 'Mini-Molly' project, which operates a library bus to reach those unable to visit the library regularly. Through this collaboration, PCF Centres have also been able to enhance our reading programmes and benefitted children enrolled at our centres. PCF pledged to contribute \$200,000 towards this 5-year collaboration till end 2016.

Looking Ahead

PCF-Charity Division will continue to assist families with financial difficulties so that their children can receive affordable pre-school education. We remain open to new avenues for reaching out to low income-families to help build a compassionate society.

I wish to thank all the members of the Charity Management Committee for their support and guidance, and the management and staff for their commitment and hard work.

Special thanks to the following members who have stepped down from the Charity Committee:

1. Mr Gan Kim Yong
2. Mdm Halimah Yacob
3. Mr Lui Tuck Yew
4. Dr Vivian Balakrishnan

I would also like to express my sincere appreciation to all PCF Branch Chairmen, committee members and volunteers for their support and their efforts in helping fellow citizens in need.

May I also record deep gratitude to our generous sponsors and donors for their unstinting support for the PCF-Charity Division's activities throughout the year.

Lawrence Wong
Chairman
PCF Charity Management Committee

PCF Charity Management Committee (CMC)

(As at 31 March 2016)

<u>Name</u>	<u>Designation</u>	<u>Date of Appointment</u>
Mr Wong Shyun Tsai, Lawrence Minister for National Development	Chairman	01/06/2011
Mr Heng Chee How Senior Minister of State, Prime Minister's Office and Deputy Leader of the House	Treasurer	01/06/2011
Ms Grace Fu Hai Yien Minister for Culture, Community and Youth & Leader of the House	Member	20/07/2007
Mr Tan Chuan-Jin Minister for Social and Family Development	Member	01/06/2011
Ms Sim Ann Senior Minister of State, Ministry of Culture, Community and Youth & Ministry of Finance Deputy Government Whip	Member	01/06/2011
Dr Amy Khor Lean Suan Senior Minister of State, Ministry of the Environment and Water Resources & Ministry of Health	Member	01/03/2016
Ms Indraneel Thurai Rajah Senior Minister of State, Ministry of Finance & Ministry of Law	Member	01/03/2016
Mr Sam Tan Chin Siong Minister of State, Prime Minister's Office & Ministry of Manpower & Deputy Government Whip	Member	01/06/2011
Ms Low Yen Ling Parliamentary Secretary, Ministry of Education & Ministry of Trade and Industry. Mayor, South West CDC	Member	01/03/2016
Mr Amrin Amin Parliamentary Secretary, Ministry of Home Affairs	Member	01/03/2016

Management

Most of the administrative services for the PCF-Charity Division for Year 2015/2016 were provided by employees of the PAP Community Foundation.

UEN / IPC NUMBER AND REGISTERED ADDRESS

UEN Number	:	T02CC1585L
Charity Status	:	Registered
Date of Charity Registration	:	25/07/2002
IPC Status	:	Live
IPC Number	:	000119
IPC Period	:	From 24/07/2016 to 23/02/2020
Registered Address	:	57B New Upper Changi Road #01-1402 PCF Building Singapore 463057
Website	:	http://www.pcf.org.sg
Primary Sector	:	Social and Welfare
Banker	:	DBS Bank Ltd
Auditor	:	Deloitte & Touche LLP

ANNUAL REMUNERATION OF TOP 3 EXECUTIVES

There is no staff who receives more than \$100,000 in annual remuneration.

REMUNERATION OF THE CMC MEMBERS

There is no claim by the CMC Members for services provided to the PCF-Charity Division, either by reimbursement to the CMC Members or by providing the CMC Members with an allowance or by direct payment to a third party.

CONFLICT OF INTEREST POLICY

All CMC Members and employees of the PCF-Charity Division 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.

RESERVES POLICY

The PCF-Charity Division's policy is to maintain operating reserves of six times our annual operating budget. This is to ensure that our programmes can be sustained even with fund-raising shortfalls. Operating reserves exclude all building / project funds, endowment and sinking funds.

HIGHLIGHTS OF EVENTS

The Lee Hsien Loong Cup Charity Golf Tournament 2015



The Lee Hsien Loong Cup Charity Golf Tournament has been a highlight in the calendar of activities for the Ang Mo Kio GRC and Sengkang West SMC since 2004. This annual tournament is organised by the different divisions within the GRC on a rotation basis. Its aims to:

- Help the needy students in PCF Sparkletots Preschools
- Support youth activities
- Promote senior citizens' activities
- Provide community welfare for the low-income families

This 12th tournament on 10 July 2015 was organised by the Teck Ghee division at Tanah Merah Country Club. The Charity Golf attracted 120 participants and was followed by a dinner hosted by Prime Minister Lee Hsien Loong. The organising committee chaired by Mr Ernest Wong Yuen Weng, JP, BBM raised some \$1.3 million (nett of expenses).

Wellness Bus Project 2015

A collaboration with community health cooperative The Good Life, the programme aimed to bring health education and services to residents of Aljunied and Hougang. With the support of PCF and Tote Board, \$600,000 was raised in support of the programme, which was launched by Health Minister Gan Kim Yong on 12 July 2015 at Serangoon Community Club.

PCF Family Day 2015

The PCF Family Day 2015 was held on Sunday, 1 November 2015 at the Jurong Bird Park with Prime Minister Lee Hsien Loong as Guest-of-Honour and more than 10,000 PCF children, parents and senior citizens taking part. The programme included a High Flyer Show at Pools Amphitheatre and a tour of the Wings of Asia and Flamingo Lake.



Prime Minister Lee was joined by the PAP Social & Recreation Committee Chairperson, Mdm Halimah Yacob, the PCF Family Day 2015 Organising Committee Chairman, Mr. Patrick Tay, PCF Council Chairman Mr Gan Kim Yong, PCF Executive Committee Chairman Mr Lawrence Wong and other Ministers and PAP Members of Parliament.

PCF-Charity Division Governance Evaluation Checklist

Case Number: CPGE-160129-000174
Name of Organisation: PAP COMMUNITY FOUNDATION - CHARITY DIVISION
UEN No: T02CC1585L
Submission Status: On time Submission
Submission Deadline: 30/09/2016
Submitted On: 09/09/2016

Governance Evaluation Checklist Submission for the period Apr 2015 to Mar 2016

S/No.	Code Description	Code ID	Compliance	Please provide explanation if your charity is unable to comply with the Code guidelines, or if the guidelines are non-applicable.
BOARD GOVERNANCE				
1	Are there Board members holding staff appointments?		No	
4	There is a maximum term limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman).	1.1.6	Complied	
5	There are Board committees (or designated Board members) with documented terms of reference.	1.2.1	Complied	
6	The Board meets regularly with a quorum of at least one-third or at least three members, whichever is greater (or as required by the governing instrument).	1.3.1	Complied	
CONFLICT OF INTEREST				
7	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board.	2.1	Complied	
8	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	Complied	

STRATEGIC PLANNING				
9	The Board reviews and approves the vision and mission of the charity. They are documented and communicated to its members and the public.	3.1.1	Complied	
10	The Board approves and reviews a strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.2	Complied	
HUMAN RESOURCE MANAGEMENT				
11	The Board approves documented human resource policies for staff.	5.1	Complied	
12	There are systems for regular supervision, appraisal and professional development of staff.	5.6	Complied	
FINANCIAL MANAGEMENT AND CONTROLS				
13	The Board ensures internal control systems for financial matters are in place with documented procedures.	6.1.2	Complied	
14	The Board ensures reviews on the charity's controls, processes, key programmes and events.	6.1.3	Complied	
15	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure.	6.2.1	Complied	
16	The charity discloses its reserves policy in the annual report.	6.4.1	Complied	
17	Does the charity invest its reserves?		Yes	
18	The charity invests its reserves in accordance with an investment policy approved by the Board. It obtains advice from qualified professional advisors, if deemed necessary by the Board.	6.4.4	Complied	

FUNDRAISING PRACTICES				
19	Donations collected are properly recorded and promptly deposited by the charity.	7.2.2	Complied	
DISCLOSURE AND TRANSPARENCY				
20	The charity makes available to its stakeholders an annual report that includes information on its programmes, activities, audited financial statements, Board members and executive management.	8.1	Complied	
21	Are Board members remunerated for their Board services?		No	
24	Does the charity employ paid staff?		No	
PUBLIC IMAGE				
27	The charity accurately portrays its image to its members, donors and the public.	9.1	Complied	



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

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED
MARCH 31, 2016**

**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 19 to 40 are drawn up in accordance with the provisions of the Singapore Charities Act, Chapter 37 (the "Charities Act"), and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Charity Division as at March 31, 2016 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, 2016;
- (b) the Charity Division has complied with regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations;
- (c) the use of donation moneys is in accordance with the objectives of the Charity Division as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations;
- (d) the accounting records required by the regulations enacted under the Charities Act have been properly kept in accordance with those regulations; 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



.....
Wong Shyun Tsai, Lawrence
Chairman



.....
Heng Chee How
Director

Date: 23 AUG 2016

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

Report on the Financial Statements

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, 2016, the statement of profit or loss and other comprehensive income, statement of changes in endowment fund and revenue reserve and statement of cash flows for the financial year ended March 31, 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages 19 to 40.

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.

Management's Responsibility for the Financial Statements

The Charity Division's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Charities Act, Chapter 37 (the "Charities Act") and the Singapore Financial Reporting Standards 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Charity Division's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE OF

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

Opinion

In our opinion, the financial statements of the Charity Division are properly drawn up in accordance with the provisions of the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Charity Division as at March 31, 2016 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, 2016.

Report on Other Legal and Regulatory Requirements

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

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

- a. The use of the donation moneys was not in accordance with the objectives of the Charity Division as required under regulation 16 of the Charities (Institute 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.

Devi & Tmela UP

Public Accountants and
Chartered Accountants
Singapore

August 23, 2016

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**STATEMENT OF FINANCIAL POSITION
March 31, 2016**

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
<u>ASSETS</u>			
Current assets			
Cash at bank		7,778,644	13,963,286
Fixed deposits	5	15,519,624	5,750,715
Other receivables	6	<u>611,028</u>	<u>462,930</u>
Total current assets		<u>23,909,296</u>	<u>20,176,931</u>
Non-current asset			
Property, plant and equipment	7	<u>635,942</u>	<u>669,193</u>
Total assets		<u>24,545,238</u>	<u>20,846,124</u>
<u>LIABILITIES, ENDOWMENT FUND AND REVENUE RESERVE</u>			
Current liabilities			
Accrued expenses		52,977	22,486
Other payables to service division		<u>2,005,749</u>	<u>-</u>
Total current liabilities		<u>2,058,726</u>	<u>22,486</u>
Endowment fund and revenue reserve			
Endowment fund	8	4,000,000	4,000,000
Revenue reserve		<u>18,486,512</u>	<u>16,823,638</u>
Total endowment fund and revenue reserve		<u>22,486,512</u>	<u>20,823,638</u>
Total liabilities, endowment fund and revenue reserve		<u>24,545,238</u>	<u>20,846,124</u>

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Financial year ended March 31, 2016**

	<u>Note</u>	April 1, 2015 to March 31, 2016 \$	January 1, 2014 to March 31, 2015 \$
Income	9	5,380,489	4,303,518
Donation and direct charitable expenses		(2,798,609)	(2,108,035)
Fund raising expenses		(452,641)	(224,601)
Staff cost		(3,280)	(3,425)
Depreciation	7	(36,294)	(49,823)
Other operating expenses	10	<u>(303,917)</u>	<u>(448,059)</u>
Surplus before income tax	11	1,785,748	1,469,575
Income tax	12	<u>-</u>	<u>-</u>
Surplus for the financial year/period representing total comprehensive income for the financial year/period		<u>1,785,748</u>	<u>1,469,575</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, 2016**

	<u>Endowment fund</u> \$	<u>Revenue reserve</u> \$	<u>Total</u> \$
Balance at January 1, 2014	4,000,000	16,591,100	20,591,100
Surplus for the financial period, representing total comprehensive income for the financial period	-	1,469,575	1,469,575
Transfer to Foundation, representing transactions with owners	<u>-</u>	<u>(1,237,037)</u>	<u>(1,237,037)</u>
Balance at March 31, 2015	4,000,000	16,823,638	20,823,638
Surplus for the financial year, representing total comprehensive income for the financial year	-	1,785,748	1,785,748
Transfer to Foundation, representing transactions with owners	<u>-</u>	<u>(122,874)</u>	<u>(122,874)</u>
Balance at March 31, 2016	<u>4,000,000</u>	<u>18,486,512</u>	<u>22,486,512</u>

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**STATEMENT OF CASH FLOWS
Financial year ended March 31, 2016**

	March 31, 2016 <u>\$</u>	March 31, 2015 <u>\$</u>
Operating activities		
Surplus before income tax	1,785,748	1,469,575
Adjustments for:		
Loss on disposal of property, plant and equipment	607	
-		
Depreciation expense	36,294	49,823
Interest income	<u>(102,052)</u>	<u>(22,991)</u>
Operating surplus before working capital	1,720,597	1,496,407
Other receivables	(138,750)	(27,862)
Accrued expenses	30,491	(29,144)
Other payables to service division	<u>2,005,749</u>	<u>-</u>
Net cash from operating activities	<u>3,618,087</u>	<u>1,439,401</u>
Investing activities		
Purchase of property, plant and equipment	(3,650)	-
Interest received	<u>92,704</u>	<u>18,788</u>
Net cash from investing activities	<u>89,054</u>	<u>18,788</u>
Financing activity		
Funds remitted to Foundation representing net cash used in financing activity	<u>(122,874)</u>	<u>(1,237,037)</u>
Net increase in cash and cash equivalents	3,584,267	221,152
Cash and cash equivalents at beginning of financial year/period	<u>19,714,001</u>	<u>19,492,849</u>
Cash and cash equivalents at end of financial year/period (Note A)	<u>23,298,268</u>	<u>19,714,001</u>

Note A

Cash and cash equivalents in the statement of cash flows consist of:

Cash at bank	7,778,644	13,963,286
Fixed deposits (Note 5)	<u>15,519,624</u>	<u>5,750,715</u>
Total	<u>23,298,268</u>	<u>19,714,001</u>

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

1 GENERAL

The PAP Community Foundation (the “Foundation”) (Registration No. T02CC1585L) was incorporated in 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 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 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 (“IPC”) and is exempted from income tax. The Institution of a Public Character status expired on May 16, 2001 but was extended for 5 years with effect from May 16, 2001 to May 15, 2006. On July 23, 2002, an internal division, Charity Division within the Foundation 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. This status was extended for another 5 years from July 24, 2007 to July 23, 2012 and on July 24, 2012, extended for another 4 years from July 24, 2012 to July 23, 2016. On July 24, 2016, the status was further extended for another 4 years from July 24, 2016 to July 23, 2020. On July 24, 2002, the Foundation voluntarily gave up its Institution of Public Character status and transferred funds to the Charity Division.

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.

On December 10, 2013, with the approval of the PCF Council of Management, the Foundation changed its financial year end from December 31 to March 31 of each year so as to be coterminous with the statutory boards.

The financial statements of the Foundation for this financial period cover the financial period from April 1, 2015 to March 31, 2016 and the comparative period covered the 15 months period ended March 31, 2015.

The financial statements of the Charity Division for the financial period ended March 31, 2016 were authorised for issue by the management on August 23, 2016.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Singapore Financial Reporting Standards (“FRS”).

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

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 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or 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 – On April 1, 2015, the Charity Division has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRS and INT FRS 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.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these financial statements, the following FRS that are relevant to the Charity Division were issued but not effective:

- FRS 109 *Financial Instruments* ⁽³⁾
- FRS 115 *Revenue from Contracts with Customers* ⁽³⁾
- FRS 116 *Leases* ⁽⁴⁾
- Amendments to FRS 115 *Clarifications to FRS 115 Revenue from Contracts with Customers* ⁽³⁾
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative* ⁽¹⁾
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative* ⁽²⁾

⁽¹⁾ Applies to annual periods beginning on or after January 1, 2016, with early application permitted.

⁽²⁾ Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

⁽³⁾ Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

⁽⁴⁾ Applies to annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply FRS 115 at or before the date of initial application of FRS 116.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Charity Division in the period of their initial adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Key requirements of FRS 109 that may be relevant to the Charity Division:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management is currently evaluating the potential impact of the application of these amendments to FRS 109 on the financial statements of the Charity Division in the period of initial application.

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective.

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**NOTES TO FINANCIAL STATEMENTS
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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

In June 2016, amendments to FRS 115 was issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also included two additional transition reliefs on contract modifications and completed contracts.

Management is currently evaluating the potential impact of the application of these amendments to FRS 115 on the financial statements of the Charity Division in the period of initial application.

FRS 116 Leases

FRS 116 was issued in June 2016 and it will supersede FRS 17 *Leases* and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

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**NOTES TO FINANCIAL STATEMENTS
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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Management is currently evaluating the potential impact of the application of these amendments to FRS 116 on the financial statements of the Charity Division in the period of initial application.

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

Management is currently evaluating the potential impact of the application of these amendments to FRS 1 on the financial statements of the Charity Division in the period of initial application.

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments required an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Management is currently evaluating the potential impact of the application of these amendments to FRS 7 on the financial statements of the Charity Division in the period of initial application.

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

**PAP COMMUNITY FOUNDATION
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**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits which are subject to an insignificant risk of changes in value and are readily convertible to a known amount of cash.

Other receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of other receivables where the carrying amount is reduced through the use of an allowance account. When other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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 it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. 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

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.

**PAP COMMUNITY FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

March 31, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial liabilities

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

ENDOWMENT FUND - The endowment fund forms part of a \$10 million endowment fund approved by the Commissioner for Inland Revenue. The fund is to be built up using past and future surpluses from the revenue reserve.

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 and leased property	-	3.33% to 20%
Renovation	-	20%
Furniture and fittings and other assets	-	20% to 33.3%
IT project and computer	-	33.3%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, 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.

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 ASSETS - At the end of each reporting period, the Charity Division reviews the carrying amounts of its 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.

**PAP COMMUNITY FOUNDATION
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NOTES TO FINANCIAL STATEMENTS

March 31, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the division with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is recognised at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Rendering of services

Revenue from rendering of services is recognised when the services are rendered.

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.

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.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

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.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

**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 there are no instances of application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The 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, are discussed below.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Charity Division assesses annually the useful life of the property, plant and equipment and has not changed its useful life estimate during the year as the existing useful lives of the assets reflect their economic useful life. However, if the expectation differs from the original estimate, such difference will impact the depreciation in the period in which such estimate has been changed. The carrying amounts of the Charity Division's property, plant and equipment are disclosed in Note 7 to the financial statements.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) *Categories of financial instruments*

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

	<u>2016</u>	<u>2015</u>
	\$	\$
Financial assets		
Loans and receivables	<u>23,909,296</u>	<u>20,176,931</u>
Financial liabilities		
Payables at amortised cost	<u>2,058,726</u>	<u>22,486</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 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 is not exposed to significant foreign currency exchange risk. Hence, no sensitivity analysis is prepared.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT
(cont'd)**

(ii) Interest rate risk management

The Charity Division's policy is to maintain cash equivalents with reputable financial institutions on a short term basis.

No sensitivity analysis on interest rate has been prepared as the Charity Division does not expect any material effect on the Charity Division's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(iii) Credit risk management

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

Cash and cash equivalents are placed with reputable financial institutions.

(iv) Liquidity risk management

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

All financial assets and liabilities in the financial year ended March 31, 2016 are repayable on demand or due within 1 year from the end of the reporting period, and non-interest bearing.

(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.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT
(cont'd)**

(d) Capital risk 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 FIXED DEPOSITS

Fixed deposits bear interests ranging from 0.05% to 1.2% (2015 : 0.05% to 1.2%) per annum and for a tenure of less than 12 months.

6 OTHER RECEIVABLES

	<u>2016</u>	<u>2015</u>
	\$	\$
Grant receivables	200,000	200,000
Receivables from Service Division	200,000	200,000
Interest receivables	24,228	14,880
Donation receivables	156,000	28,000
Others	<u>30,800</u>	<u>20,050</u>
Total	<u>611,028</u>	<u>462,930</u>

Management believes that no allowance for doubtful receivables is required as there has been no significant change in credit quality and the amount of receivables are recoverable.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

7 PROPERTY, PLANT AND EQUIPMENT

	<u>Building and leased property</u> \$	<u>Renovation</u> \$	<u>Furniture and fittings and other assets</u> \$	<u>IT project and computer</u> \$	<u>Total</u> \$
Cost:					
At January 1, 2014 and March 31, 2015	1,063,750	254,801	151,421	12,409	1,482,381
Additions	-	-	-	3,650	3,650
Disposals	(460)	-	(12,779)	-	(13,239)
At March 31, 2016	<u>1,063,290</u>	<u>254,801</u>	<u>138,642</u>	<u>16,059</u>	<u>1,472,792</u>
Accumulated depreciation:					
At January 1, 2014	351,529	254,801	145,377	11,658	763,365
Depreciation	<u>44,323</u>	-	<u>4,749</u>	<u>751</u>	<u>49,823</u>
At March 31, 2015	395,852	254,801	150,126	12,409	813,188
Depreciation	35,279	-	711	304	36,294
Disposals	(172)	-	(12,460)	-	(12,632)
At March 31, 2016	<u>430,959</u>	<u>254,801</u>	<u>138,377</u>	<u>12,713</u>	<u>836,850</u>
Carrying amount:					
At March 31, 2016	<u>632,331</u>	<u>-</u>	<u>265</u>	<u>3,346</u>	<u>635,942</u>
At March 31, 2015	<u>667,898</u>	<u>-</u>	<u>1,295</u>	<u>-</u>	<u>669,193</u>

8 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.

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

9 INCOME

	April 1, 2015 to March 31, 2016 <u> </u> \$	January 1, 2014 to March 31, 2015 <u> </u> \$
Donations received (tax-exempt)	4,372,973	3,431,375
Donations received (non tax-exempt)	722,417	650,425
Donations received (sponsorship)	93,641	34,646
Function income	-	40,958
Grant income	722	49
Interest income	102,052	22,991
Special project income	56,484	31,500
Others	<u>32,200</u>	<u>91,574</u>
Total	<u>5,380,489</u>	<u>4,303,518</u>

Donation (tax-exempt) amounting to \$35,500 was received by the Charity Division for the Senior Care Centre @ Changi Simei. This donation was subsequently transferred to the senior 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).

10 OTHER OPERATING EXPENSES

	April 1, 2015 to March 31, 2016 <u> </u> \$	January 1, 2014 to March 31, 2015 <u> </u> \$
Activity class expenses	11,910	30,609
Functions and activities	179,838	320,839
Loss on disposal of property, plant and equipment	607	-
Printing and stationery	1,949	798
Refreshment	54,077	22,301
Rental	4,658	5,826
Repair and maintenance	6,934	24,285
Utilities charges	11,011	13,577
Others	<u>32,933</u>	<u>29,824</u>
Total	<u>303,917</u>	<u>448,059</u>

**PAP COMMUNITY FOUNDATION
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS
March 31, 2016**

11 SURPLUS BEFORE INCOME TAX

The above includes the following:

	April 1, 2015 to March 31, 2016 <u> </u> \$	January 1, 2014 to March 31, 2015 <u> </u> \$
Costs of defined contribution plans included in staff costs	<u>466</u>	<u>485</u>

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

12 INCOME TAX

The Charity Division is an approved charity under the Charities Act, Cap 37 and an institution of public character under the Income Tax Act, Cap 134.

13 COMPARATIVE FIGURES

Due to the change in the financial year end, the financial statements for 2016 cover the financial period from April 1, 2015 to March 31, 2016 while the comparative period covered the 15 months period ended March 31, 2015