



# **CHARITY DIVISION**

## **Annual Report**

1 April 2023 - 31 March 2024

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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 registered as a charity under the Charities Act (Chapter 37) from 25 July 2002 and has been accorded IPC (Institution of a Public Character) status from 24 July 2024 to 23 July 2028.

PCF-CD has a Constitution as its governing instrument.

### 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

Since its inception in 1986, the PAP Community Foundation has been steadfast in providing support to families in Singapore. We have done so by making quality preschool services accessible and affordable to all. In more recent years, recognising the growing needs of families with elderly persons, we expanded our services to include senior care.

Our Charity Division contributes to our mission by introducing initiatives that uplift and empower the community. Through our Sparkle Charity programmes, we seek to create a brighter future for all Singaporeans.

### **Empowering communities**

Our Enhanced Headstart Fund (EHSF) is a cornerstone of our community empowering efforts. EHSF provided nearly \$2.895 million in FY2023 to support the education costs of 13,643 children from lower-income households. We also went beyond the classroom to enrich their learning experiences. More than 120 Sparkletots Preschools organised social activities such as nature exploration and cultural awareness for K2 children. Another 21 Sparkletots Preschools offered specialised programmes in music, art, and science.

Our intergenerational bonding programme brings together seniors and young families. In doing so, we hope to promote mutual understanding across generations and strengthen the fabric of our society.

### **Empowering Families, Enhancing Lives**

We offer a range of programmes and initiatives to better support families and the learning needs of their children.

**Sparkle Gift of Love** has empowered 1,220 children from low-income households to better access educational and essential items.

**Spark Dreams** provided a Child Development Account (CDA) top-up to 3,337 eligible children, enabling them to pursue their aspirations.

**KidSTART children** from 45 Sparkletots Preschools participated in speech and drama classes to help boost their confidence.

**Mother and Child Package** is a collaboration with the PAP Women's Wing that supported 5,078 eligible mothers with cost of living.

**Milk and Diaper** addressed infant needs and provided \$100 monthly e-vouchers to 829 families.

**School Readiness Packs** were distributed to 2,563 graduating K2 children to support their transition to formal education.

**Home Improvement pilot programme** assisted three KidSTART families with essential items to enhance their living conditions.

**PCF Polytechnic Study Awards** help deserving students achieve their dreams. In FY 2023, we partnered local polytechnics to give out 39 PCF Polytechnic Study Awards totalling \$113,100.

**Temasek Foundation First Step Programme** committed \$3.38 million and disbursed over \$576,000 to nearly 2,884 children in FY2023. Together with the Temasek Foundation, we started the CDA top-up scheme to help children from low-income families afford preschool education.

### **Giving back to the Community: Our CSR Initiatives**

PCF also organised several Corporate Social Responsibilities (CSR) events for our staff. Four events were organised in collaboration with Sparkle Care Senior Care Active Ageing team, engaging 300 seniors in activities and visits to well-known attractions. Additionally, a beach clean-up involving over 50 HQ and centre staff, was conducted to promote environmental stewardship and align with Singapore's Go Green SG initiative.

### **Supporting Our Community: Fundraising Success**

North East District-led Fundraising spearheaded by Mayor Desmond Choo made a significant impact. A total of \$443,000 was raised for 36 deserving beneficiaries. The funds were proudly presented at PCF Family Day 2023. It was a heartwarming celebration of community spirit and generosity.

### **Empowering Communities, Enriching Lives: Our Path Forward**

At PCF Charity Division, we empower children, seniors, and families in need. Our mission is to make quality preschool education accessible and explore innovative ways to support lower-income families.

We envision a cohesive and inclusive society where everyone can thrive. In the next five years, we will embark on an organisation-wide approach to CSR, engaging every PCF staff in making a meaningful impact. We will expand our outreach, provide financial assistance and volunteer services to more communities.

I extend my heartfelt gratitude to our sponsors and donors, whose generosity has enabled us to help those most in need. I also thank the Charity Management Committee for their guidance, PCF Branch Chairmen, committee members, volunteers for their selfless efforts, and PCF management and staff for their dedication and hard work.

Your collective contributions have made a significant difference in the lives of many.



**Mrs Josephine Teo**

Chairman

PCF Charity Management Committee



# THE YEAR AHEAD

## **Our Future Plans: Shaping Futures, Strengthening Communities**

For nearly four decades, the PAP Community Foundation (PCF) has been at the heart of Singapore's community development. With our network of 355 Sparkletots Preschool Centres, 7 Sparkle Care Centres, and 4 Active Ageing hubs, we have established a comprehensive support system for individuals across all life stages.

The next few years, promises significant growth and impact for PCF's Charity Division. We are investing \$7 million over the next four years to implement meaningful support programmes for families. Our goal is to create 50,000 staff volunteer opportunities during this period, leveraging our extensive workforce to drive robust Corporate Social Responsibility (CSR) initiatives. By empowering our staff to actively participate, we aim to become a catalyst for positive change, inspiring others to join us in building a stronger, more compassionate society.

As we look to the future, I am excited to share our plans to expand our impact and strengthen our commitment to building brighter futures.

### **1. Our Key Initiatives for 2024 and Beyond: Expanding Community Support**

In FY2024, we will introduce our inaugural Charity Week to encourage staff and partners to support those in need. We will partner local charities whose missions align with our values, contributing through monetary donations and volunteer support. This initiative aims to foster a culture of empathy and care within PCF, empowering our staff to actively participate in various volunteer efforts, such as providing essential services, lending a listening ear, or offering practical assistance to those in need.

Our commitment to serving the community extends beyond the Charity Week with ongoing CSR initiatives throughout the year. We will focus our efforts on five key areas: Children, Seniors, Families, Community, and Environment. These initiatives will provide continuous opportunities for our employees to volunteer their time, skills, and resources, aiming to create a ripple effect of positive change within our community.

### **2. Our Commitment: Enhancing Early Childhood Development**

**Nurturing Future Leaders:** We are broadening our Enhanced HeadStart Fund to support children from less privileged backgrounds and expanding our focus to include parent-child bonding activities. We aim to strengthen family connections and create a nurturing environment for children's growth.

**Alleviating Financial Burden:** Our Spark Dreams and Sparkle Gift of Love programmes will continue to provide vital financial assistance, covering expenses such as childcare fees and educational resources for vulnerable families. The Sparkle Gift of Love initiative adds a special touch by enabling children to choose their own school related needs.



**Building Strong Foundation:** The School Readiness Programme remains a cornerstone, ensuring all children are well-prepared for their educational journey beyond preschool. We believe that every child deserves an equal opportunity to succeed.

### **3. Fundraising Plans for FY2024**

We have set a target to raise \$1,000,000 in FY2024 to support our beneficiaries and strengthen our community. They are two key initiatives planned in FY2024 to help us achieve our targets:

**Lee Hsien Loong Cup Charity Golf Tournament:** The annual event will bring together golfing enthusiasts and philanthropists, with proceeds allocated to support programmes for underprivileged children, youth development, senior citizen welfare, and community support for low-income families.

**South West District-led Fundraising:** We are also collaborating with the South West District on fundraising initiatives. This will help to reach a wider audience and generate additional support for our beneficiaries and other local charities serving the underprivileged.

### **4. Expenditure Plans for FY2024**

#### **Financial Assistance & Donations**

We will continue to support children from lower-income households enrolled in our Sparkletots preschools. We anticipate disbursing approximately \$2.5 million in financial assistance, benefiting around 12,000 children.

Additionally, we will allocate \$120,000 in donations to charitable organisations that align with our mission. These funds will help extend our community impact and support initiatives that resonate with our values.

#### **PCF Family Day 2024**

This event will bring together all PCF staff, family members, and stakeholders to celebrate family and social bonding. It will feature a range of activities, including purposeful play stations, a healthy food carnival, and various games designed to strengthen parent-child bonds. Children from low-income families will be invited to join the fun, which will also include a storytelling corner, an art exhibition, and performances by young children and an intergenerational music group. Proceeds from the event will support various community partners in our ongoing efforts to make a positive impact.

These initiatives reflect our commitment to building stronger communities and brighter futures. Your dedication is the cornerstone of our success, and together, we can create a lasting positive impact on the lives we touch.

As we embark on this exciting journey, I invite each of you to embrace these opportunities to serve and make a difference. Your passion and commitment are what make PCF a catalyst for positive change in our community.

Thank you for your continued support and dedication to our shared vision.

Let's work together to shape a brighter future for all.



**Mr Victor Bay**

Chief executive Officer

*Date of Appointment: 24/06/2015*

# PCF CHARITY MANAGEMENT COMMITTEE



## **Chairman**

Mrs Josephine Teo

Minister for Digital Development and Information

Second Minister for Home Affairs

Date of Appointment: 13/06/2022



## **Treasurer**

Ms Low Yen Ling

Senior Minister of State

Ministry of Culture, Community and Youth

& Ministry of Trade and Industry

Chairperson of Mayors' Committee

& Mayor, South West District

Date of Appointment: 01/10/2020



## **Member**

Ms Indranee Thurai Rajah

Minister, Prime Minister's Office

Second Minister for Finance and National Development

Leader of the House

Date of Appointment: 01/03/2016



## **Member**

Mr Heng Chee How

Senior Minister of State, Ministry of Defence

Date of Appointment: 01/06/2011



## **Member**

Ms Sim Ann

Senior Minister of State,

Ministry of Foreign Affairs & Ministry of National Development

Deputy Government Whip

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  
Minister of State,  
Ministry of Digital Development and Information  
& Ministry of Health  
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

## MANAGEMENT

PCF-CD employed 5 staff to run its operations. All the administrative services for the PCF-CD for FY2023 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 24/07/2024 to 23/04/2028
Registered Address	:	57B New Upper Changi Road #01-1402 PCF Building Singapore 463057
Website	:	<a href="https://www.pcf.org.sg">https://www.pcf.org.sg</a>
Primary Sector	:	Social and Welfare
Banker	:	DBS Bank Ltd
Auditor	:	Deloitte & Touche LLP

## ANNUAL REMUNERATION OF 3 HIGHEST PAID STAFF (exceed \$100K)

Salary Band	Head Count
Between \$100,001 to \$200,000	1

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.

Staff are not involved in setting their own remuneration.

## DISCLOSURE / REMUNERATION OF PCF CHARITY MANAGEMENT COMMITTEE MEMBERS

The Board's Self-Evaluation Exercise was conducted on 16 September 2022 and the next will be in September 2025.

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.

## **VOLUNTEER MANAGEMENT POLICY**

PCF-CD has in place a Volunteer Management Policy to provide overall guidance and direction to staff and volunteers engaged in volunteer involvement and management efforts. The Policy includes but not limited to the Roles and Responsibilities of the Cmc Members and Code of Conduct for the Volunteers.

## **FINANCIAL MANAGEMENT AND INTERNAL CONTROLS**

PCF-CD is committed to maintaining strong financial management and internal control systems. Our practices adhere to established accounting principles and regulatory requirements, providing a solid foundation for accurate financial operations.

The Council reviews and approves the annual budget prepared by Management. We have established written procedures for financial matters, including procurement procedures and controls, receipting, payment procedures and controls, and systems for delegation of authority and limits. Comprehensive internal controls are in place to safeguard assets, prevent fraud, and ensure compliance with financial policies. The Council oversees the effectiveness of these controls, which are regularly reviewed and updated as needed.

## **CONFLICT OF INTEREST POLICY**

PCF-CD is committed to upholding the highest standards of integrity and transparency. Our Conflict of Interest Policy addresses potential and actual conflicts by providing a framework for their identification and management. All CMC Members and employees are required to abide by this policy and make full disclosure of any interests, relationships, or holdings that could potentially result in a conflict of interest.

When a conflict of interest situation arises, the concerned Member or employee must abstain from participating in discussions, decision-making, and voting on the matter. These procedures are designed to prevent conflicts from influencing our operations and to uphold the trust and confidence of our stakeholders.

## **ENTERPRISE RISK MANAGEMENT**

PCF-CD is committed to a robust Enterprise Risk Management (ERM) framework that supports our strategic objectives and operational continuity. Our ERM process includes regular assessments and reviews of risks by the risk management team, with updates provided to Management and the CMC. Process owners are responsible for evaluating workflows, assessing control effectiveness, and implementing necessary risk mitigation measures.

Key risks are systematically identified and monitored to ensure timely responses. We track mitigating initiatives and key risk indicators, with reports provided to the Audit and Risk Committee. This enables us manage risks effectively for long-term operational resilience. Through the ERM process, we aim to sustain operational resilience and achieve our strategic goals.

## **PERSONAL DATA PROTECTION ACT (PDPA)**

PCF-CD is committed to protecting personal data in accordance with the Personal Data Protection Act (PDPA). We recognise the importance of safeguarding individual rights related to personal data, including but not limited to access, correction, and protection. We have established comprehensive policies and procedures to ensure compliance with the PDPA.

To reinforce our commitment, all employees are required to undergo PDPA training to understand and adhere to data protection principles. Additionally, we have policies and procedures to safeguard personal data against unauthorised access, collection, use, disclosure, copying, modification, or disposal. PCF is dedicated to protecting the privacy and personal information of all individuals in our possession.

## **RESERVES POLICY**

PCF-CD is committed to maintaining a prudent reserve policy to ensure the financial stability and long-term sustainability of the Foundation. Our reserves are designated to provide a financial buffer for unforeseen circumstances and to support our ongoing operations and strategic initiatives. We aim to maintain reserves equivalent to six (6) to twelve (12) months of our annual operating budget, which is reviewed from time to time to ensure adequacy and alignment with our financial goals.

## **WHISTLE BLOWING POLICY**

PCF-CD is committed to maintaining a transparent and accountable environment where concerns about misconduct, illegal activities, or unethical behaviour can be reported without fear of retaliation.

Our Whistleblowing Policy provides a clear and confidential channel for raising such concerns. An appointed team independently investigates whistleblowing complaints, with oversight from the Audit and Risk Committee, to ensure thorough and impartial management. We encourage stakeholders to use this channel for reporting serious concerns that fall within the scope of the policy.

## **CODE OF GOVERNANCE**

PCF-CD is committed to upholding the highest standards of corporate governance in line with Singapore's regulatory framework. Our Code of Governance establishes a framework for ethical conduct, accountability and transparency.

Our governance practices are aligned with the principles outlined in the Code of Governance for Charities and Institutions of a Public Character (IPCs) issued by the Commissioner of Charities. This includes maintaining a robust framework for managing risks, ensuring the independence and effectiveness of the board and upholding transparency in financial reporting and operations.



The CMC provides strategic direction, oversight, support effective governance by reviewing financial statements, risk management processes, and compliance with regulatory requirements. We are committed to continuous improvement and regularly review our governance practices to ensure they meet evolving standards and best practices.

PCF's Governance Evaluation Checklist for the period 1 April 2023 to 31 March 2024 can be viewed at the Charity Portal:- [www.charities.gov.sg](http://www.charities.gov.sg)

## **PCF CHARITY MANAGEMENT COMMITTEE MEMBER'S MEETING ATTENDANCE RECORD**

<b>Name of Board Members</b>	<b>Position</b>	<b>Attendance Records</b>
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	1 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	1 of 2

## EVENTS

### **Enhanced HeadStart Fund Programme**

At the heart of our community outreach is the Enhanced Headstart Fund Programme (EHSF). This initiative is not just about numbers; it is about nurturing potential. In FY2023, we distributed \$2.895 million and touched the lives of 13,643 young minds, providing not just financial support for school fees and educational expenses, but also opening doors to a world of opportunities.

But our vision extends beyond the classroom walls. We believe in holistic development, which is why we crafted a series of enriching experiences for these children.

In 21 centres with the highest concentration of low-income families, we introduced specialised programmes like Cajon, Creative Pottery, and Young Soil Scientist. These are not just activities; they are gateways to new passions and potential career paths.

Expanding our reach further, we have organised social mixing activities for 124 centres. From moulding clay animals to exploring the wonders of gardening, from creating their own ice cream to experiencing the magic of theatre and the marvels of Changi Airport and Gardens by the Bay – these experiences are designed to broaden horizons and foster social integration.

Our focus on K2 children is deliberate. As these 4,450 children stand on the cusp of primary education, we are equipping them with experiences that will spark curiosity, build confidence, and create lasting memories.

The Enhanced Headstart Fund Programme is more than just a support system; it's a promise to every child that their dreams matter, regardless of their family's financial situation.





## **EHSF Parent-Child Bonding Series - Chinese New Year Festive Shopping and Lunch with Underprivileged Seniors**

In a heartwarming display of community spirit, PCF Sparkletots @ Chua Chu Kang (CCK) and PCF Charity Division launched a programme that goes beyond supporting children—it is building bridges across generations and strengthening community bonds.

This pilot initiative brought together 44 parents and their children with 45 seniors from SG Care Centres, for a festive shopping at Joo Koon Warehouse Club NTUC, followed by a sumptuous lunch at Chua Chu Kang CC. Guest of Honour, Minister Gan Kim Yong also joined in this meaningful activity and mingled with the seniors to add to the festive joy.

This intergenerational activity represents a holistic approach to community development. By bringing together different age groups, we are not just supporting families; we are weaving a stronger social fabric. We are teaching children the value of community service, respect for elders and the joy of giving, all while providing a platform for meaningful family bonding.





## **Sparkle Gift of Love**

In a heartwarming initiative that goes beyond mere charity, the “Sparkle Gift of Love” event has been thoughtfully designed to provide children from lower-income households with a unique and empowering shopping experience.

This programme reached out to 1,220 Sparkletots children from families with an annual household income of \$4,500 and below, spanning 20 PCF branches. The core aim was not simply to provide necessities, but to cultivate decision-making skills and independence in these young minds.

Coming to the events with their parents, these children were encouraged to make decisions, and choose for themselves education and health-related items such as school bags, story books, stationeries, educational activities set, hygiene living essentials and sporting equipment.

“Sparkle Gift of Love” exemplifies how community support can be structured to not only meet immediate needs but also to build life skills and confidence.





## **Spark Dreams Programme**

The Spark Dreams Programme was launched in conjunction with the PCF Alumni Event on 16th Jul 2023. It aims to empower children from underprivileged families by providing additional support to achieve their dreams. 3,337 eligible children from low-income families received the CDA top-up.



## **KidSTART Speech and Drama**

To enhance KidSTART children's confidence in their communication, we organised 10 Speech and Drama enrichment lessons for 1,228 children across 45 centres. This has helped to boost the confidence of these children from disadvantaged backgrounds.



## **Mother and Child Package**

In a significant move to uplift mothers and children in need, the Mother and Child Package was launched in collaboration with the PAP Women's Wing. With the rising cost of living, this package provides crucial support to eligible mothers and thus helping them to manage their household budgets. The impact of this initiative is very positive, with 5,078 mothers benefiting from the \$50 NTUC vouchers.



## **Milk and Diaper Programme**

The Milk and Diaper is a one-year programme that we launched in August 2022. It is a timely response to the pressing needs of infants from low-income households. With \$100 e-vouchers disbursed monthly to eligible parents, we have made a meaningful impact on the lives of 829 infants and their families.

## **School Readiness Pack**

2,563 School Readiness Packs consisting of Popular and BATA vouchers were given to graduating children in K2 from low-income families to support their transition to formal education.

## **PCF Polytechnic Study Awards**

In FY 2023, PCF continued to work with the local Polytechnics to give out the PCF Polytechnic Study Awards to deserving students. In total, 39 outstanding students received the study award amounting to \$113,100.

## **Temasek Foundation First Step Programme**

Since its inception in May 2021, the Child Development Account (CDA) top-up scheme, launched jointly by PCF and Temasek Foundation, has aimed to make preschool education accessible to every child from their earliest years.

The programme encourages early enrolment and continued attendance in preschool through financial support. Temasek Foundation generously funded this initiative with \$3.38 million.

In the fiscal year 2023, PCF distributed the final tranche of this transformative scheme. A substantial \$576,000 was disbursed, directly benefitting 2,884 eligible children.

This significant investment in early childhood education demonstrates a commitment to equalising opportunities and fostering educational development from the earliest stages of a child's life.



## **Home Improvement Pilot Programme**

The Home Improvement Outreach programme targets children from KidSTART families, aiming to enhance their learning environment, living conditions, and hygiene standards. Through careful assessment, three KidSTART families were identified via our centres as beneficiaries of this initiative.

The programme significantly improved these families' home environments by providing them with essential furniture and appliances. The families expressed deep appreciation for the assistance, highlighting its life-changing impact. More importantly, they conveyed that this initiative had helped them realised some of their aspirations in providing for their children.





## **CSR Initiatives with Sparkle Care Active Aging Seniors**

In collaboration with Sparkle Care Senior Care Active Ageing team, 4 CSR events were organised for HQ staff to encourage volunteerism and engage the active aging seniors in specially curated activities for FY 2023.

Activities curated included a visit to Gardens by the Bay, visit to National Orchid Garden, a Duck Tour with a year-end lunch and a Chinese New Year Lunch celebration. In total, 300 seniors participated in the various activities and enjoyed the engagement with our volunteers.





## **Beach Clean-up 2023**

In December 2023, PCF organised a Beach Clean-up initiative in preserving and enhancing the coastal environment. The participation of over 50 volunteers from both HQ and centre staff work together to remove trash such as paper, plastics, metals, recyclable and other non- recyclable wastes from the beach.

Through this activity, we motivated and inspired the PCF staff to foster awareness towards environmental stewardship, Additionally, we aimed to educate future generations on the importance of keeping our country clean and sustainable.

The initiative outlined our achievements, challenges, and strategic goals as we continue to work towards a cleaner Singapore which is aligned to the goal of Go Green SG to build a Sustainable, Clean and Green Singapore together.



## **North East District-led Fundraising 2023**

Mayor Desmond Choo led the District's fundraising campaign, mobilising partners and donors. They worked together to support local charities and underprivileged families.

The campaign raised an impressive sum of \$443,000. These funds were earmarked to assist 36 beneficiaries, including various charities and less privileged families in the District.

The culmination of this fundraising effort was marked by a ceremonial presentation at the PCF Family Day 2023, held on Sunday, 22 October 2023. This acknowledgement not only celebrated the generosity of donors but also raised awareness about the community's ongoing needs.

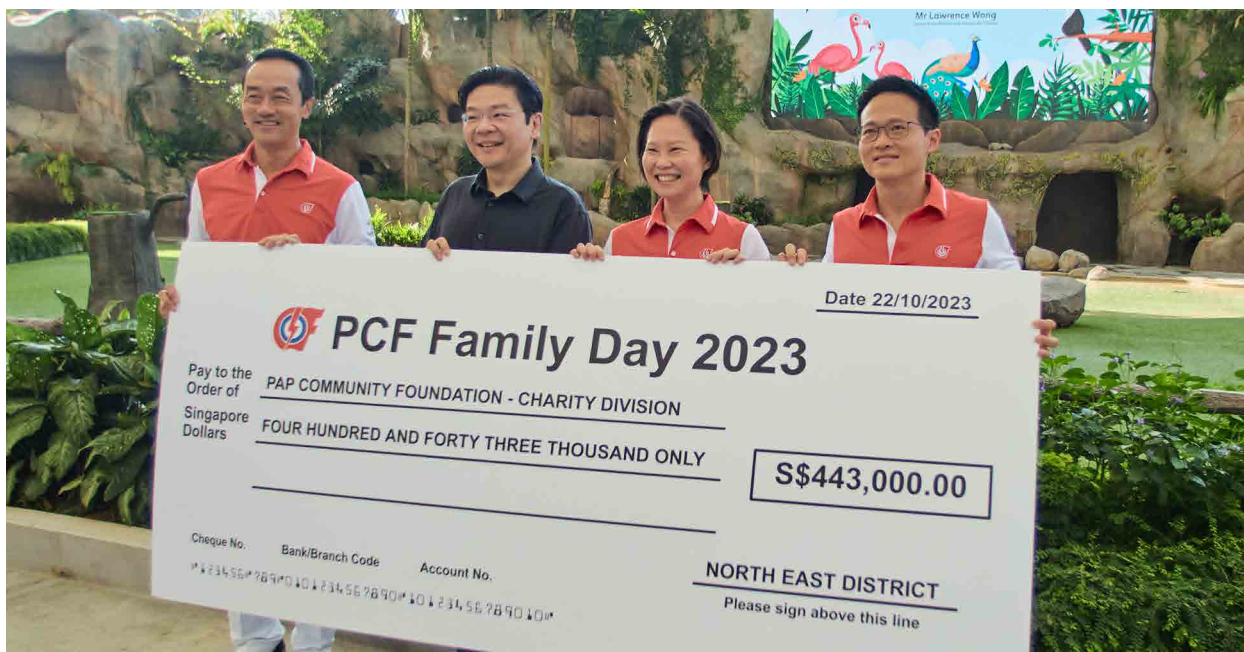


## **PCF Family Day 2023**

The PCF Family Day 2023, held on Sunday, 22 October 2023, was a resounding success in bringing together different members of the PCF community. This event served as a platform to celebrate family bonds and foster social cohesion, aligning with its “Supporting Families, Bonding Community” theme.

The gathering united advisors, families, and residents across the PCF community, creating an inclusive atmosphere and reinforcing community ties.

Participants enjoyed a day filled with family-oriented activities, promoting quality bonding time and creating lasting memories. The guests, including Deputy Prime Minister, Mr Lawrence Wong, as the Guest-of-Honour, and the Organising Chairperson, Minister of State Gan Siow Huang, underscored the event’s significance and the government’s commitment to community engagement.





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

**DIRECTORS' STATEMENT AND  
FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED  
MARCH 31, 2024**

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS**

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**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**DIRECTORS' STATEMENT**

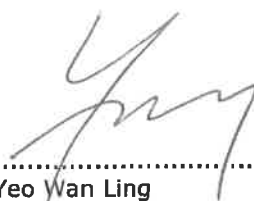
In the opinion of the directors,

- (a) the financial statements of PAP Community Foundation - Charity Division (the "Charity Division") set out on pages 32 to 50 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, 2024 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, 2024;
- (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



.....  
Yeo Wan Ling  
CMC Treasurer

September 6, 2024

## **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, 2024, 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 material accounting policy information, as set out on pages 32 to 50.

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, 2024 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.

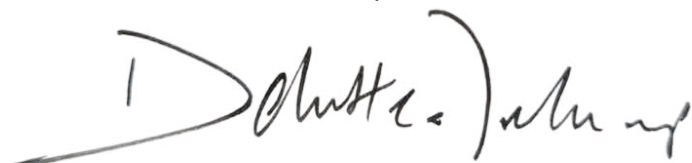
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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

September 6, 2024

**CHARITY DIVISION****STATEMENT OF FINANCIAL POSITION  
March 31, 2024**

	Note	2024	2023
		\$	\$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash at bank	5	15,178,048	12,417,072
Fixed deposits	6	16,071,626	16,533,095
Other receivables	7	308,937	595,621
Total current assets		31,558,611	29,545,788
<b>Non-current asset</b>			
Property, plant and equipment	8	168,305	187,809
<b>Total assets</b>		31,726,916	29,733,597
<b><u>LIABILITIES, ENDOWMENT FUND AND REVENUE RESERVE</u></b>			
<b>Current liabilities</b>			
Other payables	9	355,586	2,233,933
Other payables to Service Division		745,023	247,170
Total current liabilities		1,100,609	2,481,103
<b>Endowment fund and revenue reserve</b>			
Endowment fund	10	4,000,000	4,000,000
Headstart fund	11	5,748,253	5,614,428
Revenue reserve		20,878,054	17,638,066
Total endowment fund and revenue reserve		30,626,307	27,252,494
<b>Total liabilities, endowment fund and revenue reserve</b>		31,726,916	29,733,597

See accompanying notes to financial statements.

**CHARITY DIVISION****STATEMENT OF COMPREHENSIVE INCOME**  
**Financial year ended March 31, 2024**

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
<b>Income</b>	12	6,286,949	7,289,090
Donation and direct charitable expenses		(2,199,767)	(4,833,733)
Fund raising expenses		(133,766)	(101,300)
Employee benefits expense	13	(120,347)	(216,268)
Depreciation expense	8	(17,308)	(16,003)
Other operating expenses	14	<u>(230,408)</u>	<u>(323,483)</u>
<b>Surplus before tax</b>	15	3,585,353	1,798,303
Income tax	16	<u>-</u>	<u>-</u>
<b>Surplus for the financial year, representing total comprehensive income for the financial year</b>		<u>3,585,353</u>	<u>1,798,303</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, 2024**

	Endowment fund	Headstart fund	Revenue reserve	Total
	\$	\$	\$	\$
<b>Balance at April 1, 2022</b>	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)
<b>Balance at March 31, 2023</b>	4,000,000	5,614,428	17,638,066	27,252,494
Movement between revenue reserve and Headstart Fund	-	85,980	(85,980)	-
Surplus for the financial year, representing total comprehensive income for the financial year	-	-	3,585,353	3,585,353
Transactions with owner recognised directly in equity:				
Transfer to the Foundation	-	-	(259,385)	(259,385)
Contribution from the Foundation	-	47,845	-	47,845
Total	-	47,845	(259,385)	(211,540)
<b>Balance at March 31, 2024</b>	4,000,000	5,748,253	20,878,054	30,626,307

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**STATEMENT OF CASH FLOWS  
Financial year ended March 31, 2024**

	2024	2023
	\$	\$
<b>Operating activities</b>		
Surplus before tax	3,585,353	1,798,303
Adjustments for:		
Depreciation expense	17,308	16,003
Interest income	(647,912)	(363,587)
Operating cash flows before movements in working capital	2,954,749	1,450,719
Other receivables	313,966	(369,885)
Other payables	(1,878,347)	984,880
Other payables to Service Division	497,853	196,430
Net cash from operating activities	1,888,221	2,262,144
<b>Investing activities</b>		
Purchase of plant and equipment	-	(2,196)
Proceeds on disposal of plant and equipment	2,196	-
Interest received	620,630	161,875
Net cash from investing activities	622,826	159,679
<b>Financing activity</b>		
Funds transfer to the Foundation (net), representing net cash used in financing activity	(211,540)	(711,630)
Net increase in cash and cash equivalents	2,299,507	1,710,193
Cash and cash equivalents at beginning of financial year	28,950,167	27,239,974
<b>Cash and cash equivalents at end of financial year (Note A)</b>	<b>31,249,674</b>	<b>28,950,167</b>

Note A

Cash and cash equivalents consist of:

Cash at bank	15,178,048	12,417,072
Fixed deposits	16,071,626	16,533,095
Total	31,249,674	28,950,167

See accompanying notes to financial statements.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2024**

**1 GENERAL INFORMATION**

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 ("IPC") and is exempted from income tax. The IPC 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 IPC status was also granted to the Charity Division for a period of five years with effect from July 24, 2002 and was subsequently extended to April 23, 2028. On July 24, 2002, the Foundation voluntarily gave up its 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, 2024 were authorised for issue by the Board of Directors on September 6, 2024.

**1.1 BASIS OF PREPARATION**

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Charities Act 1994 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements are expressed in Singapore dollar.



**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2024**

**1.2 ADOPTION OF NEW AND REVISED STANDARDS**

In the current financial year, the Charity Division has applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after April 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

**Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies***

The Foundation has adopted the amendments to FRS 1 *Presentation of Financial Statements* for the first time in the current year. The amendments change the requirements in FRS 1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in FRS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Foundation has applied materiality guidance in FRS Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term ‘significant accounting policies’ used throughout the financial statements has been replaced with ‘material accounting policy information’.

**1.3 STANDARDS ISSUED BUT NOT EFFECTIVE**

At the date of authorisation of these financial statements, The Charity Division has not applied the following FRS pronouncements that have been issued but are not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 1 <i>Classification of Liabilities as Current or Non-current</i>	January 1, 2024

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 in the period of their initial adoption.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2024**

**2 MATERIAL ACCOUNTING POLICY INFORMATION**

**FAIR VALUE MEASUREMENT** - 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 these 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.

**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.

**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.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2024**

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.

*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.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2024**

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.

*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.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2024**

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 measured 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.

**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.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2024**

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.

Renovation in progress is carried at cost less any recognised impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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.

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.

**PAP COMMUNITY FOUNDATION  
CHARITY DIVISION**

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2024**

**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.

**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.

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**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 material 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 material 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.

***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.



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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:

	2024	2023
	\$	\$
<b>Financial assets</b>		
Financial assets at amortised cost	31,554,242	29,516,751
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	1,100,609	2,481,103

(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.

(ii) Interest rate risk management

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

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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>2024</u>						
Other receivables	7	Performing	12-month ECL	304,568	-	304,568
<u>2023</u>						
Other receivables	7	Performing	12-month ECL	566,584	-	566,584

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.

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(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 in 2023 and 2024 are 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**

Cash at bank bears interest at 0.5% per annum (2023 : 0.5%). As at March 31, 2023, 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, carried forward from March 31, 2023, during the financial year. This amount held in trust as at March 31, 2023 was not included in cash and cash equivalents and payables. There was no cash balance held in trust as at March 31, 2024.

**6 FIXED DEPOSITS**

Fixed deposits bear interests ranging from 3.5% to 3.65% (2023 : 3.1% to 4.1%) per annum and are 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.

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**7 OTHER RECEIVABLES**

	2024	2023
	\$	\$
Prepayments	3,270	21,180
Interest receivables	253,018	225,736
Donation receivables	51,550	340,848
Grant receivables	1,099	7,857
Total	<u>308,937</u>	<u>595,621</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, 2022	509,690	12,188	3,649	-	525,527
Additions	-	-	-	2,196	2,196
At March 31, 2023	509,690	12,188	3,649	2,196	527,723
Disposal	-	-	-	(2,196)	(2,196)
At March 31, 2024	<u>509,690</u>	<u>12,188</u>	<u>3,649</u>	<u>-</u>	<u>525,527</u>
Accumulated depreciation:					
At April 1, 2022	308,074	12,188	3,649	-	323,911
Depreciation for the year	16,003	-	-	-	16,003
At March 31, 2023	324,077	12,188	3,649	-	339,914
Depreciation for the year	17,308	-	-	-	17,308
At March 31, 2024	<u>341,385</u>	<u>12,188</u>	<u>3,649</u>	<u>-</u>	<u>357,222</u>
Carrying amount:					
At March 31, 2024	<u>168,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,305</u>
At March 31, 2023	<u>185,613</u>	<u>-</u>	<u>-</u>	<u>2,196</u>	<u>187,809</u>

**9 OTHER PAYABLES**

	2024	2023
	\$	\$
Accruals	345,086	269,688
Donation payable (third parties)	-	1,958,245
Others	10,500	6,000
Total	<u>355,586</u>	<u>2,233,933</u>

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**10 ENDOWMENT FUND**

The endowment fund is made up of \$2 million Education Endowment and \$2 million Health Endowment. 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**

	2024	2023
	\$	\$
Donation income (tax-exempt)	3,041,634	5,151,236
Donation income (non tax-exempt)	718,810	1,738,558
Donation income from Service Division	1,873,837	-
Grant income	713	11,086
Interest income on fixed deposits	647,912	363,587
Others	4,043	24,623
<b>Total</b>	<b>6,286,949</b>	<b>7,289,090</b>

Donations amounting to \$150,926 (2023 : \$664,762) 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**

	2024	2023
	\$	\$
Employee benefits expense include the following:		
Costs of defined contribution plans	13,624	31,077

**14 OTHER OPERATING EXPENSES**

	2024	2023
	\$	\$
Floral/Gifts	12,126	22,181
Functions and activities	184,263	226,689
Insurance	477	302
Refreshment	31,123	3,212
Project expenses	-	49,205
Others	2,419	21,894
<b>Total</b>	<b>230,408</b>	<b>323,483</b>

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**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, \$4,363,182 (2023 : \$4,162,733) of financial assistance has been disbursed as part of the Foundation's CSR programmes and commitment.

**18 EVENT AFTER THE REPORTING PERIOD**

There was a change of financial year end to December, with the next financial period beginning from April 1, 2024 to December 31, 2024.