



**The Community Foundation of Singapore
(Limited by guarantee and not having a share capital)**

Registration Number: 200817758M

**Financial Statements
Year ended 31 March 2014**

Directors' report

We are pleased to submit this annual report to the members of The Community Foundation of Singapore (the Company), together with the audited financial statements for the financial year ended 31 March 2014.

Directors

The directors in office at the date of this report are as follows:

Keith Chua Tiang Choon
Madeleine Lee Suh Shin
Laurence Lien Tsung Chern
Low Elsie
Adrian Peh Nam Chuan
Sim Beng Mei Mildred
Stephanie Yuen Thio
Mary Ann Tsao Wai Sheng
Yeoh Oon Jin

Under Article 7 of its Memorandum of Association, the members of the Company guarantee to contribute a sum not exceeding \$100 to the assets of the Company in the event of it being wound up. The members of the Company are Stanley Tan Poh Leng, Sim Beng Mei Mildred, Mary Ann Tsao Wai Sheng and Laurence Lien Tsung Chern.

Directors' interest

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

The Company is limited by guarantee and has no issued share capital.

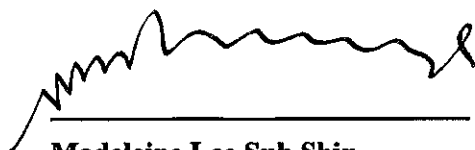
Auditors

The auditors, KPMG LLP have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Laurence Lien Tsung Chern
Director



Madeleine Lee Suh Shin
Director

28 August 2014

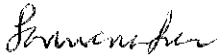
Statement by Directors

In our opinion:

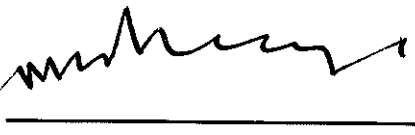
- (a) the financial statements set out on pages FS1 to FS19 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in funds and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Singapore Charities Act, Chapter 37 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Laurence Lien Tsung Chern
Director



Madeleine Lee Suh Shin
Director

28 August 2014



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Independent auditors' report

Members of the Company
The Community Foundation of Singapore

Report on the financial statements

We have audited the accompanying financial statements of The Community Foundation of Singapore (the Company), which comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS19.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the Act), the Singapore Charities Act, Chapter 37 (the Charities Act) and 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 profit and loss accounts and balance sheets 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 entity'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 entity'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.



Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in funds and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

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

During the course of our audit, nothing came to our attention that caused us to believe that during the year:

- (a) the use of the donation moneys was not in accordance with the objectives of the Company as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

KPMG CP

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
28 August 2014

Statement of financial position
As at 31 March 2014

	Note	2014 \$	2013 \$
Non-current assets			
Plant and equipment	3	12,240	1,783
Investment at fair value through profit or loss	4	569,667	483,765
		581,907	485,548
Current assets			
Investments at fair value through profit or loss	4	25,858,320	16,696,783
Other receivables	5	123,934	100,368
Cash and cash equivalents	6	17,136,392	15,357,893
		43,118,646	32,155,044
Total assets		43,700,553	32,640,592
Funds			
General Fund		612,408	406,947
Restricted Funds	7	20,106,786	15,025,186
Endowment Fund	8	21,457,137	16,716,006
Total funds		42,176,331	32,148,139
Non-current liabilities			
Deferred capital grants	9	14,658	16,066
Deferred operating grants	10	391,997	380,190
		406,655	396,256
Current liabilities			
Accrued operating expenses		117,567	96,197
Securities purchased awaiting settlement	11	1,000,000	-
		1,117,567	96,197
Total liabilities		1,524,222	492,453
Total funds and liabilities		43,700,553	32,640,592

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

Statement of comprehensive income
Year ended 31 March 2014

	Note	2014			2013			
		General Fund \$	Restricted Funds \$	Endowment Fund \$	General Fund \$	Restricted Funds \$	Endowment Fund \$	Total \$
Income								
Donations		50	11,783,926	-	72	14,891,675	-	14,891,747
Other income transferred from endowment fund	8	-	150,000	-	-	475,000	-	475,000
Dividend income from investments at fair value through profit or loss		-	293,864	729,220	-	15,475	608,707	624,182
Net gain on investments at fair value through profit or loss		-	(133,239)	7,805	-	49,360	1,290,886	1,340,246
Interest income		42,401	1,193	2,851	114,267	201	2,199	116,667
Fund raising events		6,750	-	-	-	130,900	-	130,900
Total income		49,201	12,095,744	739,876	114,339	15,562,611	1,901,792	17,578,742
Expenditure								
Salaries and related costs		(613,789)	-	-	(598,414)	-	-	(598,414)
Contribution to defined contribution plan		(52,961)	-	-	(74,823)	-	-	(74,823)
Event expenses		(311,046)	-	-	(214,111)	-	-	(214,111)
Programme expenses		(238,232)	-	-	(143,046)	-	-	(143,046)
Donations		-	(6,430,644)	(423,459)	-	(8,702,411)	(56,500)	(8,758,911)
Fund raising cost		-	(20,860)	-	-	(18,810)	-	(18,810)
Professional fees		(83,319)	-	-	(63,696)	-	-	(63,696)
Corporate communication expenses		(44,158)	-	-	(20,567)	-	-	(20,567)
Office rental expenses		(77,040)	-	-	(77,040)	-	-	(77,040)
Corporate support expenses		(13,140)	-	-	(12,840)	-	-	(12,840)
Depreciation of plant and equipment		(2,868)	-	-	(6,877)	-	-	(6,877)
Committee expenses	3	(311)	-	-	(1,069)	-	-	(1,069)
Other expenses		(14,655)	(4,862)	(11,666)	(15,267)	(512)	(6,575)	(22,354)
Total expenditure		(1,451,519)	(6,456,366)	(435,125)	(1,227,750)	(8,721,733)	(63,075)	(10,012,558)

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

Statement of comprehensive income (continued)
Year ended 31 March 2014

	Note	2014			2013			Total
		General Fund	Restricted Funds	Endowment Fund	General Fund	Restricted Funds	Endowment Fund	
		\$	\$	\$	\$	\$	\$	
Government grants								
Operating grants	10	1,047,132	-	-	993,123	-	993,123	
Amortisation of deferred capital grant	9	2,868	-	-	6,877	-	6,877	
Total government grants		1,050,000	-	-	1,000,000	-	1,000,000	
Operating (deficit)/surplus before income tax		(352,318)	5,639,378	304,751	(113,411)	6,840,878	8,566,184	
Income tax expense	12	-	-	-	-	-	-	
(Deficit)/Surplus and total comprehensive income for the year		(352,318)	5,639,378	304,751	(113,411)	6,840,878	8,566,184	
Transfer								
Gross transfer between funds	7	557,779	(557,779)	-	369,359	(369,359)	-	
Net surplus and total comprehensive income for the year		205,461	5,081,599	304,751	255,948	6,471,519	8,566,184	

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

Statement of changes in funds
Year ended 31 March 2014

	General Fund \$	Restricted Funds \$	Endowment Fund \$	Total \$
At 1 April 2012	150,999	8,553,668	13,016,932	21,721,599
Addition	–	–	2,335,357	2,335,357
Total comprehensive income for the year/(Deficit)/Surplus for the year	(113,411)	6,840,878	1,838,717	8,566,184
Transfer from Endowment Fund to profit or loss (Note 8)	–	–	(475,000)	(475,000)
Gross transfer between funds	369,359	(369,359)	–	–
At 31 March 2013	406,947	15,025,187	16,716,006	32,148,140
Addition	–	–	4,586,380	4,586,380
Total comprehensive income for the year/(Deficit)/Surplus for the year	(352,318)	5,639,378	304,751	5,591,811
Transfer from Endowment Fund to profit or loss (Note 8)	–	–	(150,000)	(150,000)
Gross transfer between funds	557,779	(557,779)	–	–
At 31 March 2014	<u>612,408</u>	<u>20,106,786</u>	<u>21,457,137</u>	<u>42,176,331</u>

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

Statement of cash flows
Year ended 31 March 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Surplus after income tax		5,591,811	8,566,184
Adjustments for:			
Interest income		(46,445)	(116,667)
Dividend income		(1,023,084)	(624,182)
Amortisation of deferred capital grant		(2,868)	(6,877)
Depreciation of plant and equipment		2,868	6,877
Transfer from Endowment Fund		(150,000)	(475,000)
Net gain on investments at fair value through profit or loss		125,434	(1,340,246)
		4,497,716	6,010,089
Changes in working capital:			
Other receivables		(16,531)	244,879
Accrued operating expenses		21,370	12,786
Deferred operating grants		11,807	5,545
Cash generated from operating activities		4,514,362	263,210
Interest received		54,374	74,328
Dividend received		1,008,120	619,245
Net cash from operating activities		5,576,856	6,966,872
Cash flows from investing activities			
Purchase of plant and equipment		(13,325)	(1,332)
Purchase of investments		(12,998,739)	(4,431,088)
Proceeds from sale of investments		4,625,867	1,053,300
Net cash used in investing activities		(8,386,197)	(3,379,120)
Cash flows from financing activities			
Receipt for endowment fund		4,586,380	2,335,357
Receipt of capital grants		1,460	1,333
Net cash from financing activities		4,587,840	2,336,690
Net increase in cash and cash equivalents		1,778,499	5,924,442
Cash and cash equivalents at beginning of year		15,357,893	9,433,451
Cash and cash equivalents at end of year	6	17,136,392	15,357,893

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 August 2014.

1 Domicile and activities

The Community Foundation of Singapore (the Company) is a public company limited by guarantee, incorporated in the Republic of Singapore. The Company has its registered office at 6 Eu Tong Sen Street, #04-88 The Central, Singapore 059817. Under Article 7 of its Memorandum of Association, the members of the Company guarantee to contribute a sum not exceeding \$100 to the assets of the Company in the event of it being wound up.

The Company is registered as a charity under the Singapore Charities Act (Cap. 37). The Company is also an approved Institution of a Public Character (IPC) under the Singapore Charities Act.

The principal activities of the Company are to raise funds from donors in the community, provide philanthropic services to the community and its donors, source new non-profit programmes, make grants, and undertake community leadership and partnership activities to address a wide variety of charitable needs.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 Summary of significant accounting policies (continued)

2.2 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment over their estimated useful lives as follows:

Computer equipment	3 years
Other office equipment	5 years

Plant and equipment costing less than \$1,000 are charged to the statement of comprehensive income in the year of purchase.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.3 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

2.3 Financial instruments (continued)

Financial assets at fair value through profit or loss (continued)

Financial assets designated at fair value through profit or loss comprise quoted equity securities and bonds, and funds managed by fund managers that otherwise would have been classified as available for sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise accrued operating expenses.

2 Summary of significant accounting policies (continued)

2.4 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at a specific asset level. All individually significant loans and receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g., repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2 Summary of significant accounting policies (continued)

2.5 Funds

General Fund

Income and expenditure relating to the main activities of the Company are accounted for through the general fund in the statement of comprehensive income.

Restricted Funds

Income and expenditure relating to funds set up for contributions received and expenditures incurred for specific purposes are accounted for through the restricted funds in the statement of comprehensive income.

The assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled together with those of the general fund.

Endowment Fund

Interest, dividends and other income derived from the endowment fund and any associated expenditure are recognised in the statement of comprehensive income.

2.6 Government grants

Grants from the government to meet the Company's operating expenses are recognised as income to match the related operating expenditure.

Government grants for the purchase of depreciable assets are taken to deferred capital grant. The grants are recognised as income over the useful lives of the related assets to match the depreciation of those assets.

2.7 Revenue recognition

Donations are recognised as and when the Company's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability, which is generally upon receipt of the amount due in full or by instalments. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

Interest income is recognised as it accrues, using the effective interest method.

2.8 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

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 reporting date.

2 Summary of significant accounting policies (continued)

2.9 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

2.10 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

3 Plant and equipment

	Computer \$	Other office equipment \$	Total \$
Cost			
At 1 April 2012	29,414	2,461	31,875
Additions	1,332	–	1,332
At 31 March 2013	30,746	2,461	33,207
Additions	11,720	1,605	13,325
At 31 March 2014	42,466	4,066	46,532
Accumulated depreciation			
At 1 April 2012	23,398	1,149	24,547
Depreciation charge for the year	6,386	491	6,877
At 31 March 2013	29,784	1,640	31,424
Depreciation charge for the year	2,072	796	2,868
At 31 March 2014	31,856	2,436	34,292
Carrying amount			
At 1 April 2012	6,016	1,312	7,328
At 31 March 2013	962	821	1,783
At 31 March 2014	10,610	1,630	12,240

4 Investments at fair value through profit or loss

These relate to investments which are designated as financial assets at fair value through profit or loss.

	2014	2013
	\$	\$
Quoted equity securities	13,093,000	13,483,307
Quoted bonds	11,319,266	2,290,130
Funds managed by fund managers	2,015,721	1,407,111
	<u>26,427,987</u>	<u>17,180,548</u>
Investments at fair value through profit or loss		
– current	25,858,320	16,696,783
– non-current	569,667	483,765
	<u>26,427,987</u>	<u>17,180,548</u>

5 Other receivables

	2014	2013
	\$	\$
Grant receivable	69,624	33,915
Interest receivables	34,410	42,339
Dividend receivables	19,900	4,936
Other receivables	–	9,312
	<u>123,934</u>	<u>90,502</u>
Prepaid operating expenses	–	9,866
	<u>123,934</u>	<u>100,368</u>

The Company's grant receivable is denominated in Singapore dollars and not past due.

6 Cash and cash equivalents

	2014	2013
	\$	\$
Cash at bank and on hand	4,236,392	7,557,893
Fixed deposits	12,900,000	7,800,000
	<u>17,136,392</u>	<u>15,357,893</u>

Fixed deposits bear interest at an average rate of 0.60% (2013: 1.13%) per annum and for a tenure of approximately 100 days (2013: 98 days).

The Company's cash and bank balances are denominated in Singapore and United States dollars. The amount comprises \$3,196,953 (2013: \$4,499,824) being held for the purpose of the endowment fund and \$12,884,674 (2013: \$10,004,233) held for the restricted funds.

7 Restricted Funds

Restricted funds comprise Flow-Through Funds and Community Impact Funds. Flow-Through Funds are for the purpose of providing financial support to beneficiaries designated by the donors. Community Impact Funds support a specific programme or project to address an unmet need or under-supported cause identified by the Company. Restricted funds are not used to fund the operations of Company.

	2014	2013
	\$	\$
Flow-Through Funds	20,071,263	14,999,548
Community Impact Funds	35,523	25,638
	<u>20,106,786</u>	<u>15,025,186</u>

\$557,779 (2013: \$347,911) of the Restricted Funds was transferred to the General Fund to support specific programmes and charities that were previously identified and approved by the donors. In addition, none (2013: \$21,448) of the Restricted Funds was transferred to the General Fund for general purposes that were previously approved by the donors.

At the reporting date, the Company has committed to the beneficiaries under Flow-Through Funds for an outstanding amount of \$879,707 (2013: \$3,012,281). Actual disbursement is subject to specific condition being fulfilled by the beneficiaries.

Details of the Community Impact Funds during the financial year are as follows:

Migrants Emergency Assistance and Support Fund - This fund is set up to help migrant/domestic workers who are in dire need of financial assistance to tide over their current crisis.

Safe Home Scheme - This fund aims to provide a one-stop home modification service to retrofit or design a more accessible and safe home environment for elderly/person with disability and/or their caregivers.

Homecare Fund - This fund is set up to help needy beneficiaries suffering critical chronic illness to settle in back home when they are discharged from the hospital.

Kampong Spirit Fund - This fund is set up as a community project to support needy residents in a local housing estate with vouchers that allow them to exchange for meals of their choice at participating food stalls in their neighbourhood.

8 Endowment Fund

The Endowment Fund is a form of restricted fund, where the initial donation is maintained as seed capital. It consists of all specific donations and gifts intended for the Endowment Fund.

\$255,160 (2013: \$255,160) of the Endowment Fund is subject to a condition where the seed capital will remain invested in a specific fund managed by an external fund manager till 2019. At the end of the financial year, the investment has a market value of \$569,667 (2013: \$483,765) and is included in fund managed by fund manager in Note 4.

8 Endowment Fund (continued)

During the year, a transfer of \$150,000 (2013: \$475,000) to the profit and loss account was approved by the donors, for use in its charitable activities.

	2014 \$	2013 \$
Balance at beginning of year	16,716,006	13,016,932
Initial funds received	4,586,380	2,335,357
Dividend income	729,220	608,707
Interest income	2,851	2,199
Investment income	7,805	1,290,886
Donations	(423,459)	(56,500)
Other expenses	(11,666)	(6,575)
Transferred to profit or loss	(150,000)	(475,000)
Balance at end of year	<u>21,457,137</u>	<u>16,716,006</u>
Represented by:		
Investments at fair value through profit or loss	19,205,875	12,199,902
Other receivables	54,309	16,280
Cash at bank	3,196,953	4,499,824
Total assets	<u>22,457,137</u>	<u>16,716,006</u>
Securities purchased awaiting settlement	(1,000,000)	-
Net assets	<u>21,457,137</u>	<u>16,716,006</u>

9 Deferred capital grant

	2014 \$	2013 \$
Capital grant received	<u>48,950</u>	<u>47,490</u>
Accumulated amortisation:		
At beginning of year	(31,424)	(24,547)
Amortisation for the year	(2,868)	(6,877)
At end of year	<u>(34,292)</u>	<u>(31,424)</u>
	<u>14,658</u>	<u>16,066</u>

10 Deferred operating grant

	2014 \$	2013 \$
At 1 April	380,190	374,645
Grant received	1,058,939	998,668
Recognised during the financial year	(1,047,132)	(993,123)
At end of year	<u>391,997</u>	<u>380,190</u>

11 Securities purchased awaiting settlement

Securities purchased awaiting settlement relates to quoted bonds purchased by the Company that are awaiting settlement as at year end.

12 Income tax expense

The Company is an approved charitable institution under the Singapore Charities Act, Chapter 37 and an institution of a public character under the Income Tax, Chapter 134. Accordingly, the Company is exempt from income tax.

13 Tax deductible donations

Tax deductible donations received amounted to \$10,635,005 (2013: \$15,022,665) for the year ended 31 March 2014.

14 Related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, transactions with related party were as follows:

	2014	2013
	\$	\$
Transactions with National Volunteer and Philanthropy Centre (NVPC)		
Office rental expenses	77,040	77,040
Corporate support expenses	20,330	12,840
Event expenses	30,000	2,242
Grant disbursement	—	385,000
Payroll and other expenses paid on behalf	495,563	452,547

The Company was set up as an initiative spearheaded by NVPC but is registered as an independent legal entity. Management has been adopting NVPC's financial guidelines since its incorporation. Two of the Company's directors are also members of NVPC's board and one director is holding a key management position in NVPC. The parties have an agreement whereby NVPC provides office space and corporate services to the Company at agreed terms.

14 Related parties (continued)

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

The remuneration of key management personnel during the year was as follows:

	2014	2013
	\$	\$
Short-term employee benefits (including salaries)	198,250	164,000
Contributions to defined contribution plan	15,680	11,600
	213,930	175,600
	2014	2013
Number of key management personnel	1	2

The remuneration of key management personnel is determined by the Board of the Directors.

In terms of salary band, the breakdown below shows a two-year comparison by headcount of the Company.

Annual remuneration	2014	2013
Salary band		
> \$100,000	1	1

Donation received from directors and/or close affiliates of the directors amounted to \$4.24 million (2013: \$9.28 million) during the year.

15 Financial Risk Management

Overview

The main risks arising from the Company's financial instruments arise from price, credit and liquidity risks. The Company's policies for managing each of these risks are summarised below:

Price risk

Price risk arises from uncertainty about the future prices of financial instruments invested by the Company. It represents the potential financial loss the Company might suffer through holding investments in the face of falling prices. It is the Company's policy to achieve an appropriate diversification in its investment portfolio in order to mitigate such risk. The Company's exposure to changes in prices relates primarily to the investment in debt and equity securities, and funds managed by external fund managers.

15 Financial risk management (continued)

Sensitivity analysis

The Company's debt and equity investments are listed on the Singapore Exchange. The Company has funds which are managed by external fund managers, representing 8% of the Company's total investments. A 10% change in the prices of these securities would have changed the surplus for the year by approximately \$2,585,832 (2013: \$834,839). The analysis assumes that all other variables remain constant.

Foreign currency risk

The Company is exposed to foreign currency risk on investments that are denominated in US dollars. The Company does not use derivative financial instruments to hedge its foreign currency risk. Management review the investment portfolio periodically to ensure that the net exposure is kept at an acceptable level.

The Company has \$2,015,721 of US dollar investments (2013: \$1,407,111) which is 8% of the Company's total investments.

Sensitivity analysis

A 10% strengthening or weakening of US dollar against Singapore dollar at reporting date would increase/(decrease) surplus for the year by approximately \$201,572 (2013: \$140,711). The analysis assumes other variables remain constant.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's interest-earning bank balances and investment in fixed rate quoted debt securities. The Company accounts for fixed rate quoted debt securities at fair value through profit or loss.

There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

As at the reporting date, a change in 100 basis points in interest rates would have increased/(decreased) surplus for the year by approximately \$242,193 (2013: \$100,901).

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. As at the reporting date, other than the amount due from the government in respect of operating grant receivable amounting to \$69,624 (2013: \$33,915) and cash and cash equivalents amounting to \$17,136,392 (2013: \$15,357,893) placed with a bank rated as "A2" by Moody's, there is no significant concentration of credit risk.

15 Financial risk management (continued)

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in short-term cash flows.

At the reporting date, the contractual cash flows of the Company's financial liabilities approximate the carrying values and they are expected to be settled within the next twelve months.

Reserve management

The reserves of the Company comprise the general fund, restricted funds and endowment fund. Disbursement and usage of restricted funds are restricted to the specific charitable purposes specified by donors. Donations received under endowment funds are kept as capital. The Company aims to safeguard these reserves through appropriate capital and operating policies.

Accounting classification and fair values

An analysis of the carrying amounts of financial assets and liabilities is set out below:

	Note	Loans and receivables \$	Designated at fair value \$	Liabilities at amortised cost \$	Total carrying amount \$
31 March 2014					
Assets					
Cash and cash equivalents	6	17,136,392	–	–	17,136,392
Investments at fair value through profit and loss	4	–	26,427,987	–	26,427,987
Other receivables*	5	123,934	–	–	123,934
		<u>17,260,326</u>	<u>26,427,987</u>	<u>–</u>	<u>43,688,313</u>
Liabilities					
Accrued operating expenses		–	–	117,567	117,567
31 March 2013					
Assets					
Cash and cash equivalents	6	15,357,893	–	–	15,357,893
Investments at fair value through profit and loss	4	–	17,180,548	–	17,180,548
Other receivables*	5	90,502	–	–	90,502
		<u>15,448,395</u>	<u>17,180,548</u>	<u>–</u>	<u>32,628,943</u>
Liabilities					
Accrued operating expenses		–	–	96,197	96,197

* Excludes prepaid operating expenses.

15 Financial risk management (continued)

Fair values

The carrying amounts of financial assets and liabilities approximate their respective fair values due to the relatively short period to maturity.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs)

	Level 1 \$	Level 2 \$	Total \$
31 March 2014			
Financial assets designated at fair value through profit or loss	24,412,266	2,015,721	26,427,987
31 March 2013			
Financial assets designated at fair value through profit or loss	15,773,437	1,407,111	17,180,548

