

LEE KUAN YEW FUND FOR BILINGUALISM

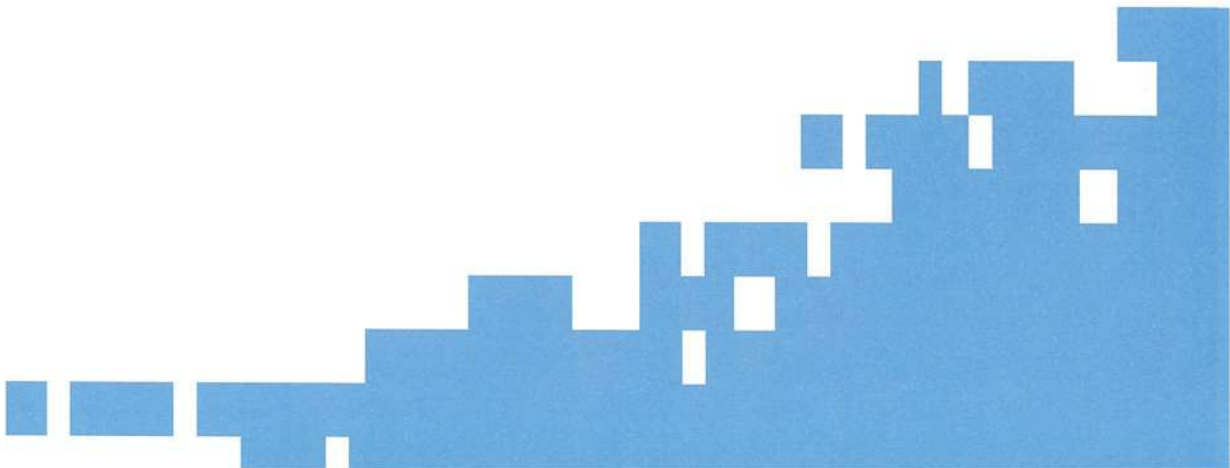
(Registration No: 201204335M)

(Institutions of a Public Character Number: IPC000756)

(Registered under the Charities Act, Chapter 37)

Statement by Directors and Financial Statements

Year Ended 31 March 2024



LEE KUAN YEW FUND FOR BILINGUALISM

Statement by Directors and Financial Statements

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LEE KUAN YEW FUND FOR BILINGUALISM

Statement by Directors

The directors of Lee Kuan Yew Fund for Bilingualism (the "Fund") are pleased to present the financial statements of the Fund for the reporting year ended 31 March 2024.

1. Opinion of the directors

In the opinion of the directors

- (a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of the reporting entity and of the results of the reporting entity for the reporting year covered by the financial statements;
- (b) the reporting entity has complied with the requirements of the Charities (Institutions of a Public Character) Regulations relating to the use of donations and the fund-raising expenses; and
- (c) at the date of the statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

2 Directors in office at date of statement

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

- Mr Chan Chun Sing (Chairman)
- Ms Gan Siow Huang (Vice-chairman)
- Ms Goh Poh Gek (Treasurer)
- Mr Wong Siew Hoong
- Mr Ong Chao Choon
- Associate Professor Tan Chee Lay
- Mr Krishanan Ramamoorthy
- Mr Chua Chim Kang
- Madam Rahayu Mahzam
- Ms Lee Huay Leng
- Mr Kuek Yu Chuang
- Dr Norshahril Saat (appointed on 1 April 2024)
- Ms Lim Sau Hoong (appointed on 1 April 2024)

3. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

The Fund is a company limited by guarantee and has no share capital.

4. Options

The Fund is a company limited by guarantee. As such, there are no share options or unissued shares under option.

LEE KUAN YEW FUND FOR BILINGUALISM

5. Independent auditor

RSM SG Assurance LLP, has expressed willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

On behalf of the directors



Mr Chan Chun Sing
Director

27 August 2024



Ms Goh Poh Gek
Director

**Independent Auditor's Report to the Member of
LEE KUAN YEW FUND FOR BILINGUALISM****Report on the audit of the financial statements****Opinion**

We have audited the accompanying financial statements of Lee Kuan Yew Fund for Bilingualism (the "Fund"), which comprise the statement of financial position as at 31 March 2024, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Companies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Fund as at 31 March 2024 and of the financial performance, changes in the funds and cash flows of the Fund 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 Fund in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the statement by directors 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 Member of
LEE KUAN YEW FUND FOR BILINGUALISM**

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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 Act, the Charities Act and Regulations and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the reporting Fund'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 reporting Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 Fund'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 Member of
LEE KUAN YEW FUND FOR BILINGUALISM**

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Auditor's responsibilities for the audit of the financial statements

- (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 Fund'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 Fund 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 Act to be kept by the Fund have been properly kept in accordance with the provision of the Act and the Charities Act and Regulations.

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

- (a) the Fund 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 Fund has not complied with the requirements of regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Uthaya Chandrikaa D/O Ponnusamy.



RSM SG ASSURANCE LLP

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

27 August 2024

**Statement of Financial Activities
Year Ended 31 March 2024**

	<u>Notes</u>	<u>2024</u> \$'000	<u>2023</u> \$'000
<u>INCOME</u>			
Donation income	4	4	64
Interest income	5	1,151	317
Dividend income	6	1,927	1,783
Other income		6	–
Total Income		3,088	2,164
<u>EXPENDITURE</u>			
Cost of charitable activities	7	2,493	2,647
Other expenditure		405	54
Total Expenditure		2,898	2,701
Net Surplus / (deficit)		190	(537)
<u>OTHER COMPREHENSIVE INCOME/(LOSS)</u>			
Items that will not be reclassified to profit or loss:			
Fair value changes on equity instruments at fair value through other comprehensive income (“FVTOCI”), net of tax	8	1,248	(5,196)
Total comprehensive income / (loss) for the year		1,438	(5,733)

The accompanying notes form an integral part of these financial statement

LEE KUAN YEW FUND FOR BILINGUALISM (Registration No: 201204335M)

Statement of Financial Position
As at 31 March 2024

	<u>Notes</u>	<u>2024</u> \$'000	<u>2023</u> \$'000
ASSETS			
<u>Non-current assets</u>			
Financial assets	10	99,294	103,134
<u>Current assets</u>			
Other receivables	11	231	165
Financial assets	10	9,000	4,156
Cash and cash equivalents	12	1,613	1,245
Total current assets		10,844	5,566
Total assets		110,138	108,700
EQUITY AND LIABILITIES			
<u>Funds</u>			
General fund – Unrestricted fund		117,715	117,525
Fair value reserve	8	(7,593)	(8,841)
Total funds		110,122	108,684
<u>Current liabilities</u>			
Other payables and accruals		16	16
Total current liabilities		16	16
Total equity and liabilities		110,138	108,700

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

LEE KUAN YEW FUND FOR BILINGUALISM (Registration No: 201204335M)

Statement of Changes in Funds
Year Ended 31 March 2024

	General fund – Unrestricted fund \$'000	Fair value reserve \$'000	Total \$'000
Current Year:			
Balance at 1 April 2023	117,525	(8,841)	108,684
Total comprehensive income for the year	<u>190</u>	<u>1,248</u>	<u>1,438</u>
Balance as at 31 March 2024	<u><u>117,715</u></u>	<u><u>(7,593)</u></u>	<u><u>110,122</u></u>
Previous Year:			
Balance at 1 April 2022	115,039	(622)	114,417
Total comprehensive loss for the year	(537)	(5,196)	(5,733)
Transfer upon disposal	<u>3,023</u>	<u>(3,023)</u>	<u>–</u>
Balance as at 31 March 2023	<u><u>117,525</u></u>	<u><u>(8,841)</u></u>	<u><u>108,684</u></u>

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

Statement of Cash Flows
Year Ended 31 March 2024

	<u>2024</u> \$'000	<u>2023</u> \$'000
<u>Cash flows used in operating activities</u>		
Net surplus / (deficit) for the year	190	(537)
Interest income	(1,151)	(317)
Dividend income	(1,927)	(1,783)
Operating cash flows before changes in working capital	(2,888)	(2,637)
Other payables and accruals	-	7
Net cash flows used in operating activities	<u>(2,888)</u>	<u>(2,630)</u>
<u>Cash flows from / (used in) investing activities</u>		
Proceeds from disposal of financial assets	8,244	32,460
Additions to financial assets	(8,000)	(36,441)
Interest received	1,085	193
Dividends received	1,927	1,783
Net cash flows from / (used in) investing activities	<u>3,256</u>	<u>(2,005)</u>
Net increase / (decrease) in cash and cash equivalents	368	(4,635)
Cash and cash equivalents, beginning balance	<u>1,245</u>	<u>5,880</u>
Cash and cash equivalents, ending balance (Note 12)	<u>1,613</u>	<u>1,245</u>

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

Notes to the Financial Statements
31 March 2024

1. General

Lee Kuan Yew Fund for Bilingualism (the "Fund") was incorporated in Singapore on 22 February 2012 as a company limited by guarantee. The Fund is registered as a charity under the Charities Act 1994. The Fund was granted the status of an Institutions of a Public Character on 4 March 2012 (IPC Registration No. IPC000756). The status has since been renewed to 3 March 2025. The financial statements are presented in Singapore dollars, recorded to the nearest thousand, unless otherwise stated.

The principal activities of the Fund are giving grants to proposals which aim to promote bilingualism among pre-schoolers and to support efforts by Ministry of Education in the teaching and learning of English and the Mother Tongue Languages.

The registered office address is: 1 North Buona Vista Drive, MOE Building, Singapore 138675. It is situated in Singapore.

Each member of the Fund has undertaken to contribute such amounts not exceeding \$1 to the assets of the Fund in the event the Fund is wound up and the monies are required for payment of the liabilities of the Fund. The Fund had 1 member at the end of the reporting year.

The memorandum and articles of the Fund restricts the use of fund monies to the furtherance of the objects of the Fund and prohibits the payment of dividends to members.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

Macroeconomic conditions related disclosures:

Uncertainties relating to the current macroeconomic conditions

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that has caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for grantees and suppliers. Management reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity's ability to continue in operational existence for the near future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Companies Act 1967 and Charities Act 1994.

2. Disclosure of material accounting policy and other explanatory information

2A. Material accounting policy information and other explanatory information

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Revenue and income recognition

(i) Donations and gifts in kind

Revenue from donations are accounted for when received, except for committed donations that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations. Revenue from fund-raising event is recognised when the event has occurred.

(ii) Dividend income

Dividend income from equity instruments is recognised only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate.

Expenditures

Expenditure is recognised when it is incurred and is reported gross of related income. Cost of charitable activities comprises direct expenditure. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.

Expenditure has been classified by reference to specific activity categories: all direct costs relating to a specific activity have been aggregated, costs of raising funds include all direct fundraising expenses and an apportionment of support costs. All direct expenditure in furtherance of the charity's objects, together with an apportionment of support costs, is included under the charitable activities heading. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice. Irrecoverable goods and services tax is charged as a cost.

2. Disclosure of material accounting policy and other explanatory information

2A. Material accounting policy information and other explanatory information

Income tax

As an approved charity under the Charities Act 1994, the Fund is exempted from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Categories of financial assets and financial liabilities:

The financial reporting standard on financial instruments has four categories of financial assets and two categories for liabilities. At the end of the reporting year, the reporting entity had the following categories of financial assets and liabilities:

2. Disclosure of material accounting policy and other explanatory information

2A. Material accounting policy information and other explanatory information

Financial instruments (cont'd)

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and (b) 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. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): On initial recognition of an equity investment that is not held for trading, an irrevocable election may be made to present subsequent changes in fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.
- Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

Fair value measurement

The 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. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

2. Disclosure of material accounting policy and other explanatory information

2A. Material accounting policy information and other explanatory information

Fair value measurement (cont'd)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Fund are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

2. Disclosure of material accounting policy and other explanatory information

2B. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related party relationships and transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements.

The related party transactions, if any, were made on terms equivalent to those that prevail as far as practicable based on market prices.

It is not the practice for the directors or companies connected with them, to receive remuneration, or other benefits, from the Fund for which they are responsible, or from institutions connected with the Fund. The members of the Board and sub-committees, including the directors, are volunteers and receive no monetary remuneration for their contribution.

There are secretariat support and office space provided by Ministry of Education free-of-charge. No value is ascribed to these activities.

There are no paid staff in the Fund.

4. Donation income

	<u>2024</u> \$'000	<u>2023</u> \$'000
Tax deductible (Note 9)	3	53
Non – tax deductible	1	11
	<u>4</u>	<u>64</u>

5. Interest income

	<u>2024</u> \$'000	<u>2023</u> \$'000
Interest income from bank deposits	–	9
Interest income from financial assets at amortised cost	1,151	308
	<u>1,151</u>	<u>317</u>

6. Dividend income

	<u>2024</u> \$'000	<u>2023</u> \$'000
Dividend income from financial assets at FVTOCI	1,927	1,783

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7. Cost of charitable activities		
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Grants disbursed	<u>2,493</u>	<u>2,647</u>
8. Fair value reserve		
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
At beginning of the year	(8,841)	(622)
Fair value loss on financial asset at FVTOCI (Note 10)	1,248	(5,196)
Transfer to general funds upon disposal	–	(3,023)
At end of the year	<u>(7,593)</u>	<u>(8,841)</u>
9. Tax-exempt receipts		
<p>The Fund has renewed its Institutions of a Public Character status for a period of 4 years, with effect from 4 March 2021 and is permitted to issue tax-deductible receipts for qualifying donations made to the Fund. The quantum of the tax deduction for each calendar year may vary in accordance with the Singapore Budget.</p>		
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
The Fund issued tax deductible receipts for donations collected	<u>3</u>	<u>53</u>
10. Financial assets		
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Financial assets at FVTOCI (Note 10A)	67,097	65,849
Financial assets at amortised cost (Note 10B)	<u>41,197</u>	<u>41,441</u>
	<u>108,294</u>	<u>107,290</u>
Presented as current and non-current:		
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Current	9,000	4,156
Non-current	<u>99,294</u>	<u>103,134</u>
	<u>108,294</u>	<u>107,290</u>
10A. Financial assets at FVTOCI		
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Movements during the year:		
Fair value at beginning of the year	65,849	103,505
Disposals	–	(32,460)
Net unrealised gains / (losses) on financial assets at FVTPL included under investment income (Note 8)	1,248	(5,196)
Fair value at end of the year	<u>67,097</u>	<u>65,849</u>

10. Financial assets

10A. Financial assets at FVTOCI (cont'd)

Balance is made up of:

	Level	<u>2024</u> \$'000	<u>2023</u> \$'000
Quoted equity funds	1	<u>67,097</u>	<u>65,849</u>

The Fund has elected to measure these quoted equity funds at FVTOCI due to the Fund's intention to hold these instruments for long-term capital appreciation.

The fair value of these quoted equity funds at FVTOCI are based on prices in an active market (Level 1) at the end of the reporting year.

These investments are exposed to market price risk arising from uncertainties about future values of the investment securities. The sensitivity analysis is as follows:

	<u>2024</u> \$'000	<u>2023</u> \$'000
A hypothetical 10% increase in market index of quoted equity funds at FVTOCI would have an effect on fair value of:	<u>6,710</u>	<u>6,585</u>

For similar price decreases in fair value of the above financial assets, there would be comparable impacts in the opposite direction.

The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

10B. Financial assets at amortised cost:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Movements during the year:		
At beginning of the year	41,441	5,000
Additions	8,000	36,441
Disposals	<u>(8,244)</u>	<u>-</u>
At end of the year	<u>41,197</u>	<u>41,441</u>

The information below gives a summary of the significant sector concentrations within the investment portfolio in Singapore:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Real estate industry	5,000	5,000
Singapore Government Securities	32,197	32,285
Treasury bills	<u>4,000</u>	<u>4,156</u>
	<u>41,197</u>	<u>41,441</u>

10. Financial assets

10B. Financial assets at amortised cost (cont'd):

A summary of the maturity dates at the end of the reporting year is as follows:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Within 1 year	9,000	4,156
Between 1 to 2 years	–	5,000
Between 2 to 3 years	5,122	–
After 3 years	27,075	32,285
	<u>41,197</u>	<u>41,441</u>

Disclosure relating to fair values are as follows:

	<u>2024</u> \$'000	<u>2023</u> \$'000
The bond in real estate industry has a fixed interest rate of 2.25% (2023: 2.25%) and maturing in November 2024 (2023: November 2024)	5,000	5,000
The Singapore Government Securities have fixed interest rates ranging from 2.63% to 3.5% (2023: 2.63% to 3.5%) and their maturity dates range from March 2027 to May 2028 (2023: March 2027 to May 2028)	31,070	31,098
The Treasury bills will mature in September 2024 (2023: May 2023 to July 2023)	4,000	4,156
	<u>40,070</u>	<u>40,254</u>

The financial assets carried at amortised cost are subject to the expected credit loss (“ECL”) model under the standard on financial instruments. The financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the reporting year is limited to 12 months expected losses. Financial assets are regarded as of low credit risk if they have an investment grade credit rating with one or more reputable rating agencies and if they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. For these balances, the credit risk is graded individually. At the end of the reporting year, a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk, an adjustment is made to the loss allowance for the balances.

Ratings of investments in financial assets at amortised cost:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Balance with investment grade credit rating with one or more reputable rating agencies	<u>41,197</u>	<u>41,441</u>

11. Other receivables

	<u>2024</u> \$'000	<u>2023</u> \$'000
Interest receivable	231	165

12. Cash and cash equivalents

	<u>2024</u> \$'000	<u>2023</u> \$'000
Cash and bank balances	<u>1,613</u>	<u>1,245</u>

The interest earning balances are not material.

13. Reserves policy

The reserves of the Fund provide financial stability and a means for the development of the Fund's activities. The Fund intends to maintain the reserves at no less than 5 years of operating expenditure. The Board of Directors reviews the level of reserves regularly for the Fund's continued obligations.

14. Financial instruments: information on financial risks and other explanatory information

14A. Classification of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>2024</u> \$'000	<u>2023</u> \$'000
<u>Financial assets:</u>		
Financial assets at amortised cost:		
- Financial assets	41,197	41,441
- Other receivables	231	165
- Cash and cash equivalents	<u>1,613</u>	<u>1,245</u>
	43,041	42,851
Financial assets at FVTOCI	<u>67,097</u>	<u>65,849</u>
At end of the year	<u>110,138</u>	<u>108,700</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>16</u>	<u>16</u>

Further quantitative disclosures are included throughout these financial statements.

14B. Financial risk management

The Fund's investment in financial instruments exposes it to financial risks such as credit risk, liquidity risk, interest rate risk and foreign currency risk. The Investment Advisory Committee sets out investment principles including diversifying investments where practical to minimize risks due to concentrated holdings and investing cash to provide safety, liquidity and return. The risk exposure in long-term financial investments is controlled by the allocation of funds to various asset classes. All financial risk management activities are carried out and monitored by the Board.

14C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments.

14. Financial instruments: information on financial risks and other explanatory information

14C. Fair values of financial instruments (cont'd)

The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

14D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure ECL allowance on financial assets. On initial recognition, a day-1 loss is recorded equal to the 12-month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 12 discloses the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

14E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. There are no non-current financial liabilities at the end of the reporting year. It is expected that all the liabilities will be settled at their contractual maturity.

The Fund has sufficient cash balances to support cash commitments from its existing liabilities. The Fund does not have any bank borrowings.

14F. Equity price risk

Price risk is the risk that the fair value or future cash flows of the Fund's financial instruments will fluctuate because of changes in market prices (other than interest and exchange rates). The Fund is exposed to price risk arising from its financial assets, at FVTOCI for which, prices in the future are uncertain. The fair values of these assets are disclosed in financial statements.

14. Financial instruments: information on financial risks and other explanatory information

14G. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the material financial instruments by type of interest rate:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Financial assets with interest:		
Fixed rates	41,197	41,441
Total at end of the year	<u>41,197</u>	<u>41,441</u>

15. Commitments

Amounts committed at the end of the reporting year for future grant expenditure but not recognised in the financial statements are as follows:

	<u>2024</u> \$'000	<u>2023</u> \$'000
Contractual obligations for approved grants	<u>4,578</u>	<u>5,298</u>

16. Changes and adoption of financial reporting standards

For the current reporting year, the ASC issued amendments to FRS 1 and Practice Statement 2 on disclosures of material accounting policy information and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. None had a material impact on the reporting entity.

17. New or amended standards in issue but not yet effective

For the future reporting years, the ASC issued certain new or revised financial reporting standards. None is expected to have material impact on the reporting entity based on its current operations.