

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 2023

RSM Chio Lim LLP

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Wilkie Edge, Singapore 228095

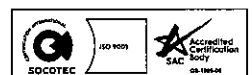
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LEE KUAN YEW FUND FOR BILINGUALISM

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 2023.

1. Opinion of the directors

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Fund for the reporting year covered by the financial statements; and
- (b) 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
Mr Lim Jim Koon
Associate Professor Tan Chee Lay
Mr Krishanan Ramamoorthy
Mr Hawazi Bin Daipi
Mr Chua Chim Kang
Madam Rahayu Mahzam
Ms Lee Huay Leng
Mr Kuek Yu Chuang

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

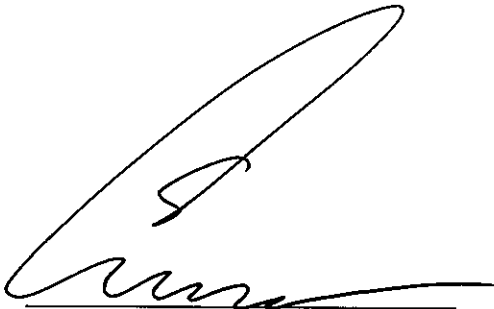
The Fund is a company limited by guarantee. As such, there are no share options or unissued shares under option.

LEE KUAN YEW FUND FOR BILINGUALISM

5. Independent auditor

RSM Chio Lim LLP, has expressed willingness to accept re-appointment.

On behalf of the directors



Mr Chan Chun Sing
Director



Ms Goh Poh Gek
Director

31 August 2023

RSM Chio Lim LLP

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Wilkie Edge, Singapore 228095

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**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 2023, 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 significant accounting policies.

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 2023 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 matter

The financial statements of the Fund for the reporting year ended 31 March 2022 were audited by another independent auditor who expressed an unqualified opinion on those financial statements in their report dated 13 September 2022.

Other information

Management is responsible for the other information. The other information comprises the statement by the Board and 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.

**Independent Auditor's Report to the Member of
LEE KUAN YEW FUND FOR BILINGUALISM**

Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act, the Charities Act 1994 and Regulations and FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors 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.

**Independent Auditor's Report to the Member of
LEE KUAN YEW FUND FOR BILINGUALISM**

Auditor's responsibilities for the audit of the financial statements (cont'd)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (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.

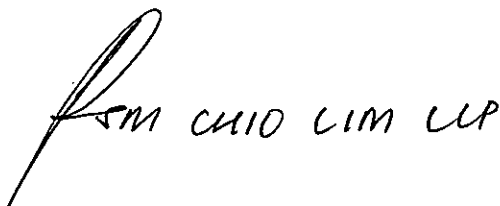
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and 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 Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 August 2023

**Statement of Financial Activities
Year Ended 31 March 2023**

| | <u>Notes</u> | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|--|--------------|-----------------------|-----------------------|
| <u>INCOME</u> | | | |
| Donation income | 4 | 64 | 6 |
| Interest income | 5 | 317 | 161 |
| Dividend income | 6 | 1,783 | 1,804 |
| Total Income | | <u>2,164</u> | <u>1,971</u> |
| <u>EXPENDITURE</u> | | | |
| Cost of charitable activities | 7 | 2,647 | 2,172 |
| Other expenditure | | 54 | 169 |
| Total Expenditure | | <u>2,701</u> | <u>2,341</u> |
| Net Deficit | | <u>(537)</u> | <u>(370)</u> |
| <u>OTHER COMPREHENSIVE INCOME</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 | (5,196) | (5,311) |
| Total comprehensive loss for the year | | <u>(5,733)</u> | <u>(5,681)</u> |

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 2023**

| | <u>Notes</u> | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|-------------------------------------|--------------|-----------------------|-----------------------|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Financial assets | 10 | <u>103,134</u> | <u>108,505</u> |
| <u>Current assets</u> | | | |
| Other receivables | 11 | 165 | 41 |
| Financial assets | 10 | 4,156 | – |
| Cash and cash equivalents | 12 | <u>1,245</u> | <u>5,880</u> |
| Total current assets | | <u>5,566</u> | <u>5,921</u> |
| Total assets | | <u>108,700</u> | <u>114,426</u> |
| EQUITY AND LIABILITIES | | | |
| <u>Funds</u> | | | |
| General fund – Unrestricted fund | | 117,525 | 115,039 |
| Fair value reserve | 8 | <u>(8,841)</u> | <u>(622)</u> |
| Total funds | | <u>108,684</u> | <u>114,417</u> |
| <u>Current liabilities</u> | | | |
| Other payables and accruals | | <u>16</u> | <u>9</u> |
| Total current liabilities | | <u>16</u> | <u>9</u> |
| Total equity and liabilities | | <u>108,700</u> | <u>114,426</u> |

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

**Statement of Changes in Funds
Year Ended 31 March 2023**

| | General Fund – Unrestricted Fund \$'000 | Fair value reserve \$'000 | Total \$'000 |
|---------------------------------------|---|---------------------------------|-----------------|
| Current Year: | | | |
| Opening Balance at 1 April 2022 | 115,039 | (622) | 114,417 |
| Total comprehensive loss for the year | (537) | (5,196) | (5,733) |
| Transfer upon disposal | 3,023 | (3,023) | – |
| Balance as at 31 March 2023 | <u>117,525</u> | <u>(8,841)</u> | <u>108,684</u> |
| Previous Year: | | | |
| Opening Balance at 1 April 2021 | 115,409 | 4,689 | 120,098 |
| Total comprehensive loss for the year | (370) | (5,311) | (5,681) |
| Balance as at 31 March 2022 | <u>115,039</u> | <u>(622)</u> | <u>114,417</u> |

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

Statement of Cash Flows
Year Ended 31 March 2023

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|---|-----------------------|-----------------------|
| <u>Cash flows used in operating activities</u> | | |
| Net deficit for the year | (537) | (370) |
| Interest income | (317) | (161) |
| Dividend income | (1,783) | (1,804) |
| Operating cash flows before changes in working capital | (2,637) | (2,335) |
| Other payables and accruals | 7 | 1 |
| Net cash flows used in operating activities | <u>(2,630)</u> | <u>(2,334)</u> |
| <u>Cash flows used in investing activities</u> | | |
| Proceeds from matured bonds | – | 2,000 |
| Proceeds from disposal of financial assets | 32,460 | – |
| Additions to financial assets | (36,441) | – |
| Interest received | 193 | 165 |
| Dividends received | 1,783 | 1,804 |
| Net cash flows (used in) from investing activities | <u>(2,005)</u> | <u>3,969</u> |
| Net (decrease) increase in cash and cash equivalents | (4,635) | 1,635 |
| Cash and cash equivalents, beginning balance | 5,880 | 4,245 |
| Cash and cash equivalents, ending balance (Note 12) | <u>1,245</u> | <u>5,880</u> |

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

**Notes to the Financial Statements
31 March 2023**

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 Institution 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. The Fund 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.

Statement of compliance with financial reporting standards

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

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.

1. General (cont'd)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Incoming Resources

(i) Donations

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 fundraising 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.

Gifts in kind

A gift-in-kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

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.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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 recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. 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.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Classification and measurement of financial assets:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"); (3) Financial asset that is a debt asset instrument classified as measured at FVTOCI; and (4) Financial asset classified as measured at fair value through profit or loss ("FVTPL").

At the end of the reporting year, the reporting entity had the following financial assets:

- 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 at 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 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 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.

Classification and measurement of financial liabilities:

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 and bank overdrafts payable on demand 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.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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 (e.g. 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 / 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.

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 (i.e. as prices) or indirectly (i.e. 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 significant 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.

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.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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.

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.

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

| | | |
|--|----------------|--------------|
| 4. Donation income | | |
| | <u>2023</u> | <u>2022</u> |
| | \$'000 | \$'000 |
| Tax deductible (Note 9) | 53 | 6 |
| Non – tax deductible | 11 | – |
| | <u>64</u> | <u>6</u> |
| 5. Interest income | | |
| | <u>2023</u> | <u>2022</u> |
| | \$'000 | \$'000 |
| Interest income from bank deposits | 9 | – |
| Interest income from financial assets at amortised cost | 308 | 161 |
| | <u>317</u> | <u>161</u> |
| 6. Dividend income | | |
| | <u>2023</u> | <u>2022</u> |
| | \$'000 | \$'000 |
| Dividend income from financial assets at FVTOCI | <u>1,783</u> | <u>1,804</u> |
| 7. Cost of charitable activities | | |
| | <u>2023</u> | <u>2022</u> |
| | \$'000 | \$'000 |
| Grants disbursed | <u>2,647</u> | <u>2,172</u> |
| 8. Fair value reserve | | |
| | <u>2023</u> | <u>2022</u> |
| | \$'000 | \$'000 |
| At beginning of the year | (622) | 4,689 |
| Fair value loss on financial asset at FVTOCI (Note 10) | (5,196) | (5,311) |
| Transfer to general funds upon disposal | (3,023) | – |
| At end of the year | <u>(8,841)</u> | <u>(622)</u> |
| 9. Tax-exempt receipts | | |
| <p>The Fund has renewed its Institution 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>2023</u> | <u>2022</u> |
| | \$'000 | \$'000 |
| The Fund issued tax deductible receipts for donations collected | <u>53</u> | <u>6</u> |

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

10. Financial assets

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|---|-----------------------|-----------------------|
| Financial assets at FVTOCI (Note 10A) | 65,849 | 103,505 |
| Financial assets at amortised cost (Note 10B) | 41,441 | 5,000 |
| | <u>107,290</u> | <u>108,505</u> |

Presented as current and non-current:

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|-------------|-----------------------|-----------------------|
| Current | 4,156 | – |
| Non-current | 103,134 | 108,505 |
| | <u>107,290</u> | <u>108,505</u> |

10A. Financial assets at FVTOCI

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|-------------------------------------|-----------------------|-----------------------|
| Movements during the year: | | |
| Fair value at beginning of the year | 103,505 | 108,816 |
| Disposals | (32,460) | – |
| Decrease in FVTOCI (Note 8) | (5,196) | (5,311) |
| Fair value at end of the year | <u>65,849</u> | <u>103,505</u> |

Balance is made up of:

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|---------------------------------|-----------------------|-----------------------|
| Unquoted funds (Level 2) | – | 34,078 |
| Quoted equities funds (Level 1) | 65,849 | 69,427 |
| | <u>65,849</u> | <u>103,505</u> |

10. Financial assets (cont'd)

10B. Financial assets at amortised cost:

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|---|-----------------------|-----------------------|
| Movements during the year: | | |
| Amortised cost at beginning of the year | 5,000 | 5,000 |
| Additions | <u>36,441</u> | <u>–</u> |
| Amortised cost at end of the year | <u>41,441</u> | <u>5,000</u> |

The information below gives a summary of the significant sector concentrations within the investment portfolio in Singapore including Level 1, 2 and 3 financial instruments:

| | <u>Level</u> | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|---------------------------------|--------------|-----------------------|-----------------------|
| Real estate industry | 1 | 5,000 | 5,000 |
| Singapore Government Securities | 1 | 32,285 | – |
| Treasury Bills | 1 | <u>4,156</u> | <u>–</u> |
| | | <u>41,441</u> | <u>5,000</u> |

The unquoted bond in real estate industry has a fixed interest rate of 2.25% (2022: 2.25%) and maturing on November 2024.

The unquoted bond in Singapore Government Securities have fixed interest rates ranging from 2.63% to 3.5% (2022: Nil) and their maturity dates range from March 2027 to May 2028.

The unquoted bond in Treasury bills (T-bills) are short-term and their maturity dates range from May 2023 to July 2023 (2022: Nil).

10B1. Credit rating of the financial assets at amortised cost

The financial assets carried at amortised cost are subject to the expected credit loss 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. Other financial assets at amortised cost are regarded as of low credit risk 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 the 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>2023</u> \$'000 | <u>2022</u> \$'000 |
|--|-----------------------|-----------------------|
| Balance with investment grade credit rating with one or more reputable rating agencies | <u>41,441</u> | <u>5,000</u> |

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11. Other receivables

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|---------------------|-----------------------|-----------------------|
| Interest receivable | <u>165</u> | <u>41</u> |

12. Cash and cash equivalents

| | <u>2023</u> \$'000 | <u>2022</u> \$'000 |
|------------------------|-----------------------|-----------------------|
| Cash and bank balances | <u>1,245</u> | <u>5,880</u> |

The interest earning balances are not significant.

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

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>2023</u> \$'000 | <u>2022</u> \$'000 |
|---|-----------------------|-----------------------|
| <u>Financial assets:</u> | | |
| Financial assets at amortised cost: | | |
| - Financial assets | 41,441 | 5,000 |
| - Other receivables | 165 | 41 |
| - Cash and cash equivalent | <u>1,245</u> | <u>5,880</u> |
| | 42,851 | 10,921 |
| Financial assets at FVTOCI | <u>65,849</u> | <u>103,505</u> |
| At end of the year | <u>108,700</u> | <u>114,426</u> |
| <u>Financial liabilities:</u> | | |
| Financial liabilities at amortised cost | <u>16</u> | <u>9</u> |

Further quantitative disclosures are included throughout these financial statements.

14. Financial instruments: information on financial risks (cont'd)

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. 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 are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and other receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach, the financial assets move through the three stages as their credit quality changes.

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 assets. 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. 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 (cont'd)

14G. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant.

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>2023</u> \$'000 | <u>2022</u> \$'000 |
|---|-----------------------|-----------------------|
| Contractual obligations for approved grants | <u>5,298</u> | <u>6,923</u> |

16. Changes and adoption of financial reporting standards

For the current reporting year, certain new or revised financial reporting standards were issued by the Accounting Standards Committee under ACRA. None of these are applicable to the reporting entity for the current reporting year.

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

For the future reporting years, certain new or revised financial reporting standards were issued by the Accounting Standards Committee under ACRA and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

| <u>FRS No.</u> | <u>Title</u> | <u>Effective date for periods beginning on or after</u> |
|----------------|---|---|
| FRS 1 | Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non current | 1 January 2024 |
| FRS 1 | Disclosure of Accounting Policies - Amendments to FRS 1 and FRS Practice Statement 2 Making Materiality Judgements | 1 January 2023 |
| FRS 8 | Definition of Accounting Estimates - Amendments to | 1 January 2023 |

18. Comparative figures

The financial statements for the reporting year ended 31 March 2022 were audited by other independent auditor (other than RSM Chio Lim LLP) whose report dated 13 September 2022 expressed an unqualified opinion on those financial statements.

