

**METHODIST SCHOOLS' FOUNDATION**  
(Co. Reg. No. 199703727C)

**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**31 JULY 2023**

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**CONTENTS**

Directors' Statement	1
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	8
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

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## **METHODIST SCHOOLS' FOUNDATION**

### **DIRECTORS' STATEMENT**

The directors are pleased to present their statement to the members together with the audited financial statements of Methodist Schools' Foundation (the "Company") for the financial year ended 31 July 2023.

In the opinion of the directors:

- (i) the financial statements of the Company as set out on pages 6 to 24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 July 2023 and of the financial activities, changes in funds and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore; and
- (ii) 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.

### **Directors**

The directors in office at the date of this statement are:

Low Suat Tin Joni	(Chairman)
Chia Winnie	(Honorary Treasurer)
Lim Young Sain Joseph	
Goh Phek Hoong Eunice	
Lee Chong Min	
M. Manoharan	
Ng Yew Tong	
Rev Dr Gordon Cecil Ignatius Wong Cheong Weng	
Sim Suh-Ting	
Tay Wee Hiong Jimmie	
Wong Taur Jiun	
Lee Cheun Li Jean	
Thiang Boon Kiat Eugene	
Tan Yi Sze, Jill	

### **Arrangement to enable directors to acquire benefits**

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 any other body corporate.

### **Other matters**

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

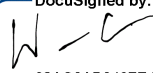
Methodist Schools' Foundation

**Independent auditor**

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

DocuSigned by:  
  
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Low Suat Tin Joni  
Chairman

DocuSigned by:  
  
62AC0AB0497E48A...  
Chia Winnie  
Honorary Treasurer

11 October 2023



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METHODIST SCHOOLS' FOUNDATION**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Methodist Schools' Foundation (the "Company") as set out on pages 6 to 24, which comprise the statement of financial position of the Company as at 31 July 2023, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of 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 "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 Company as at 31 July 2023 and of the financial activities, changes in funds and cash flows of the Company for the financial 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 Company 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 information included in the Directors' Statement as set out on pages 1 to 2 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 MEMBERS OF METHODIST SCHOOLS' FOUNDATION (cont'd)**

### **Report on the Audit of the Financial Statements (cont'd)**

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

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

The directors' responsibilities include overseeing the Company'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:

- 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.
- 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 Company's internal control.
- 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 MEMBERS OF  
METHODIST SCHOOLS' FOUNDATION (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'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 Company'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 Company to cease to continue as a going concern.
- 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 Company have been properly kept in accordance with the provisions of the Act.

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

- (i) the Company 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
- (ii) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

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Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

11 October 2023

**METHODIST SCHOOLS' FOUNDATION****STATEMENT OF FINANCIAL ACTIVITIES****For the financial year ended 31 July 2023**

		Unrestricted Funds	← Restricted Funds →				
		General Accumulated Fund ("GAF")	School Building Endowment Fund ("SBEF")	CSL Endowment Fund ("CSLEF")	MSF Financial Assistance Endowment Fund ("FAEF")	Good Steward Award Fund ("GSAF")	Total
Note	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>							
Donations	12	1,556,977	–	–	10,000	30,000	1,596,977
Interest income		24,270	–	–	–	–	24,270
		1,581,247	–	–	10,000	30,000	1,621,247
<b>Expenditure</b>							
<b>Grants</b>							
Distribution to Schools - Methodist Walk 2023		1,110,611	–	–	–	–	1,110,611
Distribution of school bursary from dividends received	7	–	–	215,700	–	–	215,700
School grants - Provision for the financial year	7	–	250,000	–	–	–	250,000
Good steward award		–	–	–	–	11,100	11,100
		1,110,611	250,000	215,700	–	11,100	1,587,411
<b>Operating expenses</b>							
Administration and accounts fees paid to the Methodist Church in Singapore		49,058	–	–	–	–	49,058
Event expenses - Methodist Walk 2023	12(b)	91,532	–	–	–	–	91,532
Sundry expenses		13,648	–	–	–	–	13,649
		154,238	–	–	–	–	154,239
Total expenditure		1,264,849	250,000	215,700	–	11,100	1,741,650
<b>Other recognised losses</b>							
Net losses from monies placed with fund managers	4(c)	53,820	25,483	334,989	33,908	19,912	468,112
Net surplus/(deficit) for the financial year		262,578	(275,483)	(550,689)	(23,908)	(1,012)	(588,514)

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

**METHODIST SCHOOLS' FOUNDATION****STATEMENT OF FINANCIAL ACTIVITIES (cont'd)****For the financial year ended 31 July 2022**

		Unrestricted Funds	← School Building Endowment Fund ("SBEF")	Restricted Funds	→ MSF Financial Assistance Endowment Fund ("FAEF")	Total
	Note	General Accumulated Fund ("GAF") \$	\$	CSL Endowment Fund ("CSLEF") \$	\$	\$
<b>Income</b>						
Donations	12	369,603	-	-	-	369,603
Interest income		3,873	-	-	777	4,650
		373,476	-	-	777	374,253
<b>Expenditure</b>						
<b>Grants</b>						
Distribution of school bursary from dividends received	7	-	-	241,014	-	241,014
School grants						
Provision for the financial year	7					
- Current year		-	350,000	-	-	350,000
- Overprovision in prior year		-	(2,000)	-	-	(2,000)
Good steward award		-	-	-	10,800	10,800
		-	348,000	241,014	10,800	599,814
<b>Operating expenses</b>						
Administration and accounts fees paid to the Methodist Church in Singapore		48,792	-	-	-	48,792
Event expenses						
- Methodist Walk 2021	12(b)	800	-	-	-	800
Sundry expenses		10,697	-	-	-	10,697
		60,289	-	-	-	60,289
Total expenditure		60,289	348,000	241,014	10,800	660,103
<b>Other recognised losses</b>						
Net losses from monies placed with fund managers	4(c)	52,414	81,480	373,579	52,414	559,887
<b>Net surplus/(deficit) for the financial year</b>		260,773	(429,480)	(614,593)	(62,437)	(845,737)

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



**METHODIST SCHOOLS' FOUNDATION****STATEMENT OF FINANCIAL POSITION****At 31 July 2023**

	Note	Unrestricted	Restricted Funds				Total
		Funds					
		GAF	SBEF	CSLEF	FAEF	GSAF	
		\$	\$	\$	\$	\$	\$
<b>Current assets</b>							
Funds placed with fund managers	4	1,014,576	11,039,473	6,065,113	638,601	375,975	19,133,738
Interest receivables		16,301	–	–	–	–	16,301
Prepayments		441	–	–	–	–	441
Cash and cash equivalents	5	3,029,269	–	–	67,738	52,889	3,149,896
		<b>4,060,587</b>	<b>11,039,473</b>	<b>6,065,113</b>	<b>706,339</b>	<b>428,864</b>	<b>22,300,376</b>
<b>Current liabilities</b>							
Payables and accruals	6	1,119,413	–	–	–	–	1,119,413
Provisions for school grants and bursaries	7	–	250,000	–	–	–	250,000
		<b>1,119,413</b>	<b>250,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,369,413</b>
<b>Net assets</b>		<b>2,941,174</b>	<b>10,789,473</b>	<b>6,065,113</b>	<b>706,339</b>	<b>428,864</b>	<b>20,930,963</b>
<b>Funds</b>							
<b>Unrestricted Funds</b>							
General Accumulated Fund		2,941,174	–	–	–	–	2,941,174
<b>Restricted Funds</b>							
School Building							
Endowment Fund	8	–	10,789,473	–	–	–	10,789,473
CSL Endowment Fund	9	–	–	6,065,113	–	–	6,065,113
MSF Financial Assistance							
Endowment Fund	10	–	–	–	706,339	–	706,339
Good Steward Award Fund	11	–	–	–	–	428,864	428,864
		<b>2,941,174</b>	<b>10,789,473</b>	<b>6,065,113</b>	<b>706,339</b>	<b>428,864</b>	<b>20,930,963</b>

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

**METHODIST SCHOOLS' FOUNDATION****STATEMENT OF FINANCIAL POSITION (cont'd)****At 31 July 2022**

		<b>Unrestricted Funds</b>	← <b>Restricted Funds</b> →			
	Note	<b>GAF</b>	<b>SBEF</b>	<b>CSLEF</b>	<b>FAEF</b>	<b>Total</b>
		\$	\$	\$	\$	\$
<b>Current assets</b>						
Funds placed with fund managers	4	1,068,396	11,414,956	6,615,802	1,068,396	20,167,550
Interest receivables		1,365	–	–	–	1,365
Prepayments		571	–	–	–	571
Cash and cash equivalents	5	1,615,064	–	–	91,727	1,706,791
		<u>2,685,396</u>	<u>11,414,956</u>	<u>6,615,802</u>	<u>1,160,123</u>	<u>21,876,277</u>
<b>Current liabilities</b>						
Payables and accruals	6	6,800	–	–	–	6,800
Provisions for school grants and bursaries	7	–	350,000	–	–	350,000
		<u>6,800</u>	<u>350,000</u>	<u>–</u>	<u>–</u>	<u>356,800</u>
<b>Net assets</b>		<u>2,678,596</u>	<u>11,064,956</u>	<u>6,615,802</u>	<u>1,160,123</u>	<u>21,519,477</u>
<b>Funds</b>						
<b>Unrestricted Funds</b>						
General Accumulated Fund		2,678,596	–	–	–	2,678,596
<b>Restricted Funds</b>						
School Building						
Endowment Fund	8	–	11,064,956	–	–	11,064,956
CSL Endowment Fund	9	–	–	6,615,802	–	6,615,802
MSF Financial Assistance Endowment Fund	10	–	–	–	1,160,123	1,160,123
		<u>2,678,596</u>	<u>11,064,956</u>	<u>6,615,802</u>	<u>1,160,123</u>	<u>21,519,477</u>

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

**METHODIST SCHOOLS' FOUNDATION****STATEMENT OF CHANGES IN FUNDS****For the financial year ended 31 July 2023**

	Unrestricted	Restricted Funds			Total	
	Funds					
	GAF	SBEF	CSLEF	FAEF	GSAF	
	\$	\$	\$	\$	\$	\$
<b>2023</b>						
<b>Capital</b>						
Balance at 1 August 2022	–	7,192,227	2,920,000	948,653	–	11,060,880
Fund Transfer	–	–	–	(351,518)	351,518	–
Donation received	–	–	–	10,000	–	10,000
<b>Balance at 31 July 2023</b>	<b>–</b>	<b>7,192,227</b>	<b>2,920,000</b>	<b>607,135</b>	<b>351,518</b>	<b>11,070,880</b>
<b>Reserve</b>						
Balance at 1 August 2022	2,678,596	3,872,729	3,695,802	211,470	–	10,458,597
Fund Transfer				(78,358)	78,358	–
Net surplus/(deficit) for the financial year	262,578	(275,483)	(550,689)	(33,908)	(1,012)	(598,514)
<b>Balance at 31 July 2023</b>	<b>2,941,174</b>	<b>3,597,246</b>	<b>3,145,113</b>	<b>99,204</b>	<b>77,346</b>	<b>9,860,083</b>
<b>Total at 31 July 2023</b>	<b>2,941,174</b>	<b>10,789,473</b>	<b>6,065,113</b>	<b>706,339</b>	<b>428,864</b>	<b>20,930,963</b>
<b>2022</b>						
<b>Capital</b>						
Balance at 1 August 2021 and 31 July 2022	–	7,192,227	2,920,000	948,653	–	11,060,880
<b>Reserve</b>						
Balance at 1 August 2021	2,417,823	4,302,209	4,310,395	273,907	–	11,304,334
Net surplus/(deficit) for the financial year	260,773	(429,480)	(614,593)	(62,437)	–	(845,737)
Balance at 31 July 2022	2,678,596	3,872,729	3,695,802	211,470	–	10,458,597
<b>Total at 31 July 2022</b>	<b>2,678,596</b>	<b>11,064,956</b>	<b>6,615,802</b>	<b>1,160,123</b>	<b>–</b>	<b>21,519,477</b>

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

**METHODIST SCHOOLS' FOUNDATION****STATEMENT OF CASH FLOWS****For the financial year ended 31 July 2023**

	<b>2023</b>	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net deficit for the financial year	<b>(588,514)</b>	(845,737)
Adjustments for:		
Net loss from monies placed with fund managers	<b>468,112</b>	559,887
Interest income from fixed deposits	<b>(24,270)</b>	(4,650)
Operating cash flows before movement in working capital	<b>(144,672)</b>	(290,500)
Changes in working capital:		
Payables	<b>1,012,613</b>	(1,112,123)
Receivables	<b>(14,806)</b>	601
<b>Net cash generated from/(used in) operating activities</b>	<b>853,135</b>	(1,402,022)
<b>Cash flows from investing activities</b>		
Cash withdrawn from funds placed with fund managers	<b>565,700</b>	589,014
Cash injection to funds placed with fund managers	—	(600,000)
Interest income received	<b>24,270</b>	4,650
<b>Net cash generated from/(used in) investing activities</b>	<b>589,970</b>	(6,336)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,443,105</b>	(1,408,358)
Cash and cash equivalents at beginning of financial year	<b>1,706,791</b>	3,115,149
<b>Cash and cash equivalents at end of financial year (Note 5)*</b>	<b>3,149,896</b>	1,706,791

\*The cash and cash equivalents include all restricted and unrestricted funds.

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

## METHODIST SCHOOLS' FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### 1 Corporate information

The Company (Co. Reg. No. 199703727C) is incorporated in Singapore with its principal place of operations at 70 Barker Road, #06-03 Methodist Centre, Singapore 309936. The principal activity of the Company is fundraising for the improvement of the facilities and the provision of subsidies, grants and bursaries for students of Methodist schools in Singapore.

The Company is a charity registered under the Charities Act 1994 on 11 July 1997 and is an approved Institution of a Public Character ("IPC"). The current IPC status covered the period from 16 January 2021 to 15 January 2024.

#### 2 Significant accounting policies

##### a) Basis of preparation

The financial statements are presented in Singapore dollar ("S\$"), which is the Company's functional currency. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs require the use of 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 income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

##### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The carrying amounts of cash and cash equivalents, other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

##### *New and revised standards*

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

Methodist Schools' Foundation

## 2 Significant accounting policies (cont'd)

### a) Basis of preparation (cont'd)

#### *New and revised standards (cont'd)*

The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Company.

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 July 2023 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.

### b) Recognition of income

Income is recognised on the following basis:

Donations including pledges and other charitable contributions	- when received in cash
Donations relating to fundraising events	- in the financial year the event occurs
Dividends	- when received
Interest	- on a time proportion basis

### c) Taxation

As a charity, the Company is exempted from tax on income and gains under the provisions of the Income Tax Act 1947, Section 13(1)(zm) to the extent that these are applied to its charitable objects. Accordingly, no provision for tax is made in the financial statements.

### d) Foreign currency transactions

#### *Functional currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency").

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash and bank balances and fixed deposits which are subject to an insignificant risk of change in value.

### f) Financial assets

#### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Methodist Schools' Foundation

## 2 Significant accounting policies (cont'd)

### f) Financial assets (cont'd)

#### *Recognition and derecognition (cont'd)*

Financial assets are initially measured at fair value. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

#### *Classification and measurement*

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

#### *Subsequent measurement*

##### *i) Debt instruments*

Debt instruments include other receivables and cash and cash equivalents. There are three subsequent measurement categories, depending on the Company's business model for managing the asset and cash flow characteristics of the asset:

#### *Amortised cost*

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

##### *ii) Funds placed with fund managers*

The Company classifies its portfolios of financial assets that are managed by fund managers and whose performance is evaluated on a fair value basis as financial assets at FVTPL. These portfolios of financial assets are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The collection of contractual cash flows is only incidental to achieving the Company's objective. The Company's primary focus on the portfolios of financial assets is on the fair value information and uses that information to assess the assets' performance and to make decisions.

Methodist Schools' Foundation

## **2 Significant accounting policies (cont'd)**

### **f) Financial assets (cont'd)**

#### *Impairment*

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

#### *Offset*

Financial assets and liabilities are offset and the net amount presented on 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.

### **g) Financial liabilities**

Financial liabilities include payables and accruals. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

### **h) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### **i) Funds**

Unless specifically indicated, Fund balances are not represented by any specific assets, but are represented by all assets of the Company.



Methodist Schools' Foundation

### 3 Limitation of members' liability

The Company is a public company limited by guarantee and in accordance with the Memorandum of Association, the liability of its members in the event of the Company being wound up will not exceed \$100 per member.

The memorandum and articles of the Company restricts the use of fund monies to the furtherance of the objects of the Company. They prohibit the payment of dividend to members.

### 4 Funds placed with fund managers

a) The funds are placed with independent professional fund managers who are given full discretionary powers within certain guidelines to invest the monies.

b) At 31 July 2023, the net asset value of the funds comprised the following:

	<b>GAF</b>	<b>SBEF</b>	<b>CSLEF</b>	<b>FAEF</b>	<b>GSAF</b>	<b>Total</b>	<b>Total</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Quoted investments at fair value through profit or loss	<b>972,258</b>	<b>10,679,517</b>	<b>5,812,139</b>	<b>611,965</b>	<b>360,293</b>	<b>18,436,172</b>	18,200,532
Cash with fund managers	<b>37,995</b>	<b>281,043</b>	<b>227,131</b>	<b>23,914</b>	<b>14,081</b>	<b>584,164</b>	1,901,130
Interest receivable	<b>–</b>	<b>55,673</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>55,673</b>	45,576
Dividend receivable	<b>4,323</b>	<b>25,879</b>	<b>25,843</b>	<b>2,721</b>	<b>1,602</b>	<b>60,368</b>	23,746
Other receivables/ (payables)	<b>–</b>	<b>(2,639)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,639)</b>	(3,434)
	<b>1,014,576</b>	<b>11,039,473</b>	<b>6,065,113</b>	<b>638,600</b>	<b>375,976</b>	<b>19,133,738</b>	20,167,550
Quoted investments comprised the following:							
Listed equity securities (i)	<b>972,258</b>	<b>4,559,631</b>	<b>5,812,139</b>	<b>611,965</b>	<b>360,293</b>	<b>12,316,287</b>	13,281,462
Quoted corporate fixed rate notes and bonds (ii)	<b>–</b>	<b>6,119,886</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6,119,886</b>	4,699,589
Unit Trusts (iii)	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	219,481
	<b>972,258</b>	<b>10,679,517</b>	<b>5,812,139</b>	<b>611,965</b>	<b>360,293</b>	<b>18,436,173</b>	18,200,532

Methodist Schools' Foundation

**4 Funds placed with fund managers (cont'd)**

b) At 31 July 2023, the net asset value of the funds comprised the following: (cont'd)

Financial assets at fair value through profit or loss are analysed which are denominated in the respective currencies as follows:

i) Listed equity securities

	<b>2023</b>	2022
	\$	\$
Singapore dollar	<b>7,243,096</b>	8,265,704
Hong Kong dollar	<b>3,897,490</b>	3,124,939
United States dollar	<b>547,073</b>	1,087,393
South Korean Won	<b>364,796</b>	–
Thailand Baht	<b>263,832</b>	180,453
Indonesian rupiah	–	208,742
Pound sterling	–	247,103
Philippines Peso	–	167,128
	<b>12,316,287</b>	13,281,462

ii) Quoted corporate fixed rate notes and bonds

Singapore dollar	<b>6,119,886</b>	4,699,589
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The corporate fixed rate notes and bonds earn fixed interest income which, at the statement of financial position date, ranged from 2.00% to 5.50% (2022: 2.00% to 4.50%) per annum and mature within 1 to 10 (2022: 1) years after the statement of financial position date.

iii) Quoted unit trusts

	<b>2023</b>	2022
	\$	\$
Singapore dollar	–	219,481

Methodist Schools' Foundation

**4 Funds placed with fund managers (cont'd)**

- c) The movements in the net asset value of the funds placed with fund managers during the financial year are as follows:

	<b>GAF 2023 \$</b>	<b>SBEF 2023 \$</b>	<b>CSLEF 2023 \$</b>	<b>FAEF 2023 \$</b>	<b>GSAF 2023 \$</b>	<b>Total 2023 \$</b>	Total 2022 \$
Net asset value at 1 August	<b>1,068,396</b>	<b>11,414,956</b>	<b>6,615,802</b>	<b>672,508</b>	<b>395,888</b>	<b>20,167,550</b>	20,716,451
Cash injection	–	–	–	–	–	–	600,000
Cash withdrawal	–	<b>(350,000)</b>	<b>(215,700)</b>	–	–	<b>(565,700)</b>	(589,014)
	<b>1,068,396</b>	<b>11,064,956</b>	<b>6,400,102</b>	<b>672,508</b>	<b>395,888</b>	<b>19,601,850</b>	20,727,437
Income							
Gain from disposal of investments	–	–	–	–	–	–	6,689
Gross dividend income	<b>43,712</b>	<b>297,584</b>	<b>272,075</b>	<b>27,538</b>	<b>16,173</b>	<b>657,082</b>	760,008
Interest from bonds	–	<b>143,352</b>	–	–	–	<b>143,352</b>	186,283
Interest from fixed deposits	<b>64</b>	–	<b>399</b>	<b>40</b>	<b>24</b>	<b>527</b>	326
Miscellaneous income	–	–	–	–	–	–	822
	<b>43,776</b>	<b>440,936</b>	<b>272,474</b>	<b>27,578</b>	<b>16,197</b>	<b>800,961</b>	954,128
Less expenditure							
Loss from disposal of investments	<b>22,245</b>	<b>237,639</b>	<b>138,443</b>	<b>14,014</b>	<b>8,228</b>	<b>420,569</b>	81,552
Fair value loss from investments	<b>67,059</b>	<b>159,979</b>	<b>417,395</b>	<b>42,247</b>	<b>24,812</b>	<b>711,492</b>	1,297,390
Management fee	<b>8,216</b>	<b>32,764</b>	<b>51,137</b>	<b>5,176</b>	<b>3,040</b>	<b>100,333</b>	101,630
Miscellaneous expenses	<b>76</b>	<b>36,037</b>	<b>488</b>	<b>49</b>	<b>29</b>	<b>36,679</b>	33,443
	<b>97,596</b>	<b>466,419</b>	<b>607,463</b>	<b>61,486</b>	<b>36,109</b>	<b>(1,269,073)</b>	1,514,015
Net (loss)/profit from investments	<b>(53,820)</b>	<b>(25,483)</b>	<b>(334,989)</b>	<b>(33,908)</b>	<b>(19,912)</b>	<b>(468,112)</b>	(559,887)
Net asset value at 31 July	<b>1,014,576</b>	<b>11,039,473</b>	<b>6,065,113</b>	<b>638,600</b>	<b>375,976</b>	<b>19,133,738</b>	20,167,550

Methodist Schools' Foundation

**5 Cash and cash equivalents**

	<b>2023</b>	2022
	<b>\$</b>	\$
Cash at banks	<b>349,896</b>	706,791
Fixed deposits	<b>2,800,000</b>	1,000,000
	<b>3,149,896</b>	1,706,791

Fixed deposits are placed with bank and mature within 12 months (2022: 12 months) after the end of financial year. The interest rates for these deposits range from 0.25% - 3.365% (2022: 0.25% - 0.55%) per annum.

**6 Payables and accruals**

	<b>2023</b>	2022
	<b>\$</b>	\$
Distribution to schools - Methodist Walk	<b>1,110,611</b>	-
Accruals	<b>8,802</b>	6,800
	<b>1,119,413</b>	6,800

**7 Provisions for school grants and bursaries**

	<b>2023</b>	2022
	<b>\$</b>	\$
Provision for school grants	<b>250,000</b>	350,000

The movements in the provision for school grants are as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Balance at beginning of financial year	<b>350,000</b>	350,000
Provision for current financial year charged to SBEF	<b>250,000</b>	350,000
Overprovision from prior year	-	(2,000)
Disbursements	<b>(350,000)</b>	(348,000)
Balance at end of financial year	<b>250,000</b>	350,000

The movements in the provision for Chen Su Lan bursaries to needy students are as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Provision for the financial year charged to CSLEF	<b>215,700</b>	241,014
Disbursements	<b>(215,700)</b>	(241,014)
Balance at end of financial year	-	-

Methodist Schools' Foundation

## 8 School Building Endowment Fund (SBEF) - Restricted Fund

The School Building Endowment Fund was set up to create a reservoir of funds for investment for the purposes of generating income from investments for Methodist Schools in Singapore to:

- a) fund the cost of construction, maintenance and improvements to school buildings and facilities; and
- b) purchase educational equipment, teaching aids and computers.

The principal sum of the School Building Endowment Fund may be used for the objectives of the School Building Endowment Fund only when there are no other income or reserves and when so determined and approved by the Company at a General Meeting provided that the proposal for such use comes from the Committee of Management.

## 9 CSL Endowment Fund (CSLEF) - Restricted Fund

This is a permanent endowment fund set up in accordance with the wishes of Chen Su Lan Trust (the donor). The accumulated donations received from the donor totalled \$2,920,000 (2022: \$2,920,000) should not be expended but should be invested. Income from the investment shall be used to provide bursaries to needy students of Anglo Chinese Junior College and financial assistance to the primary and secondary schools of the Methodist schools in Fairfield, Geylang and Paya Lebar.

## 10 MSF Financial Assistance Endowment Fund (FAEF) - Restricted Fund

The MSF Financial Assistance Endowment Fund was set up to provide financial assistance to needy students of Methodist Schools.

## 11 Good Steward Award Fund (GSAF) - Restricted Fund

The MSF Good Steward Award Fund was set up to provide financial assistance to needy students of 13 Methodist Schools. The purpose of the Awards is to recognise students who have proven their tenacity in beating the odds to excel in any given discipline, notwithstanding difficult personal financial circumstances. The student does not have to win prizes or be top in any particular discipline (including sports or any academic subject). Instead, the student may be considered for the award if he/she has shown improvement in a discipline (academic or non-academic) that came from a desire to do better notwithstanding difficult personal financial circumstances.

## 12 Donations and fundraising income

### a) Tax deductible donations

The Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deductions for the donations made to the Company.

Total tax deductible donations receipts issued during the financial year are as follows:

	2023 \$	2022 \$
Tax deductible donations are included in:		
GAF	696,854	64,927
FAEF	10,000	-
	706,854	64,927

Methodist Schools' Foundation

**12 Donations and fundraising income (cont'd)****b) Fundraising income and expenditure**

In accordance with the Charities (Institution of a Public Character) Regulations, the Company is required to disclose fund-raising appeals with gross receipts of more than \$1 million. These included:

	<b>Income For General Accumulated Fund \$</b>	<b>Fundraising Expenditure For General Accumulated Fund \$</b>	<b>Net Fundraising Income/ (Expenditure)/ For General Accumulated Fund \$</b>
<b>2023</b>			
Methodist Walk 2023	1,212,191	(91,532)	1,120,659
<b>2022</b>			
Methodist Walk 2021*	–	(800)	(800)

The Methodist Walk is a biennial fundraising event to raise funds which will go towards maintaining facilities, funding educational programmes and equipment as well as bursaries for the Methodist Schools and their students.

\*There is no fundraising appeals for fundraising events with gross receipts of more than \$1 million during the financial year ended 31 July 2022.

**13 Related party transactions***Key management personnel compensation*

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The directors, who are also the members of the key management, did not receive any remuneration from the Company during the financial year.

**14 Financial instruments****a) Categories of financial instruments**

Financial instruments at their carrying amounts at the end of financial year are as follows:

	<b>2023 \$</b>	<b>2022 \$</b>
<i>Financial assets</i>		
Financial assets at amortised costs	3,166,197	1,708,156
Financial assets at fair value through profit or loss	19,133,738	20,167,550
	<b>22,299,935</b>	<b>21,875,706</b>
<i>Financial liabilities</i>		
Payables and accruals at amortised cost	1,119,413	6,800

Methodist Schools' Foundation

## 14 Financial instruments (cont'd)

### b) Financial risk management

The Company's exposure to financial risks is minimal due to the charitable nature of its activities. Overall risk management is determined and carried out by the directors.

#### *Interest rate risk*

The Company's income and operating cash flows are substantially independent of changes in market interest rates as the interest-bearing financial assets of the Company bear interest at fixed rates. The Company does not have any interest-bearing liabilities.

#### *Price risk*

##### *Quoted equities*

The Company has investments in quoted equity securities and quoted unit trusts [Note 4(b)]. If the share price of the equity investment increase/decrease by 2% (2022: 2%) with all other variables held constant, the profit/loss will increase/decrease by \$246,326 (2022: \$270,019).

##### *Quoted bonds*

The Company has investments in quoted bonds [Note 4(b)(ii)]. If market interest rates had been 50 (2022: 50) basis points lower/higher with all other variables held constant, the profit/loss will increase/decrease by \$30,599 (2022: \$23,498).

#### *Foreign currency risk*

The Company has currency exposures arising from financial assets at fair value through profit or loss that are denominated in currencies other than the functional currency of the Company as disclosed in Note 4(b)(i). The foreign currencies in which the Company's currency risk arises are mainly Hong Kong dollar ("HKD") and United States dollar ("USD").

The following table demonstrates the sensitivity to a reasonably possible change in the USD, and HKD exchange rates against the functional currency of the Company, with all other variables held constant:

	<b>Increase/(decrease) in equity price</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
USD/SGD - strengthened 3% (2022: 3%)	<b>16,412</b>	32,622
- weakened 3% (2022: 3%)	<b>(16,412)</b>	(32,622)
HKD/SGD - strengthened 3% (2022: 3%)	<b>116,925</b>	93,748
- weakened 3% (2022: 3%)	<b>(116,925)</b>	(93,748)

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from funds placed with fund managers, other receivables and cash and cash equivalents.

Methodist Schools' Foundation

## 14 Financial instruments (cont'd)

### b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

The Company has significant concentration of credit risk in respect of funds placed with fund managers (Note 4). The Company minimises credit risk by placing funds with reputable and professional fund managers. There are no financial assets that are past due and/or impaired.

The following sets out the Company's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifelong ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifelong ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Credit risk exposure in relation to financial assets at amortised cost as at 31 July 2023 and 31 July 2022 is insignificant, and accordingly no credit loss allowance is recognised as at 31 July 2023 and 31 July 2022.

#### *Liquidity risk*

The directors exercise prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The financial liabilities of the Company as presented in the statement of financial position are due within twelve months from the statement of financial position date and approximate the contractual undiscounted payments.

## 15 Fair value of assets and liabilities

### a) Fair value hierarchy

The paragraphs below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (ie derived from prices); and
- c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).



Methodist Schools' Foundation

## **15 Fair value of assets and liabilities (cont'd)**

### **b) Fair value measurements of assets and liabilities that are measured at fair value**

The fair value of the quoted investments traded in active markets is based on quoted market prices or dealer quotes for similar instruments at the statement of financial position date. The quoted market price used for the above financial assets held by the Company is the current bid price at the statement of financial position date. These instruments are included in Level 1 of the fair value hierarchy (Note 4(b)).

### **c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The carrying amounts of other financial assets and financial liabilities recorded in the financial statements of the Company approximate their fair values due to the relatively short-term maturity of these financial instruments.

## **16 Management of reserve policy**

The Company reviews its reserves on an on-going basis in tandem with its objectives to ensure that the reserves are adequate to fulfill the Company's continuing obligations on a yearly basis and into the foreseeable future. No changes have been made in the objectives, policies or processes during the financial years ended 31 July 2023 and 31 July 2022.

## **17 Authorisation of financial statements**

The financial statements of the Company for the financial year ended 31 July 2023 were authorised for issue in accordance with a resolution of the directors dated 11 October 2023.