

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

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 JULY 2016

CONTENTS

Directors' Statement	1
Independent Auditor's Report	3
Statement of Comprehensive Income	5
Balance Sheet	7
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11



BAKER TILLY
TFW

Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

METHODIST SCHOOLS' FOUNDATION
(A public company limited by guarantee)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 July 2016.

In the opinion of the Directors:

- (i) the financial statements of the Company as set out on pages 5 to 21 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 July 2016 and of the financial performance, changes in funds and cash flows of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act, Singapore Charities Act and Singapore Financial Reporting Standards; 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:

Bishop Dr Wee Boon Hup
Cheong Karm Ho
Chia Winnie
Rev Dr Chong Chin Chung
Goh Phek Hoong, Eunice
Rev Dr Isaac Lim Teck Poh
Low Ai Lin Elaine
Low Suat Tin Joni
M. Manoharan
Ng Yew Tong
Christine Ong Geok Ling
Quek Suan Kiat
Sim Suh-Ting
Tay Wee Hiong Jimmie

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.

Directors' contractual benefits

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

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

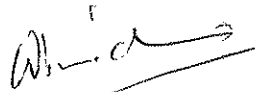
Independent auditor

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

On behalf of the Directors



Low Suat Tin Joni
Director



Chia Winnie
Director

28 September 2016



BAKER TILLY TFW

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

Report on the Financial Statements

We have audited the accompanying financial statements of Methodist Schools' Foundation (the "Company") as set out on pages 5 to 21, which comprise the balance sheet as at 31 July 2016, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act"), Singapore Charities Act and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 July 2016 and the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.



BAKER TILLY
TFW

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
METHODIST SCHOOLS' FOUNDATION (cont'd)**

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 complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institution of a Public Character) Regulations; and
- ii) the use of the donation moneys was not in accordance with the objectives of the Company as required under Regulation 11 of the Charities (Institution of a Public Character) Regulations.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

28 September 2016

METHODIST SCHOOLS' FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 July 2016

		←	Restricted Funds		→	
	Unrestricted Funds					
	General Accumulated Fund ("GAF")		School Building Endowment Fund ("SBEF")	CSL Endowment Fund ("CSLEF")	MSF Financial Assistance Endowment Fund ("FAEF")	Total
Note	\$		\$	\$	\$	\$
Income						
	297,833	–	–	–	–	297,833
	82,386	–	–	–	–	82,386
5	(11,481)	–	–	–	(11,481)	(22,962)
4(c)	20,733	240,086	(409,164)	20,733		(127,612)
	389,471	240,086	(409,164)	9,252		229,645
Expenditure						
	24,396	–	–	–	–	24,396
7	–	–	151,662	–	–	151,662
	82,256	–	–	–	–	82,256
	234	–	–	–	–	234
7	–	700,000	–	–	–	700,000
	9,555	–	–	–	–	9,555
	116,441	700,000	151,662	–	–	968,103
	273,030	(459,914)	(560,826)	9,252		(738,458)
	–	–	–	133,250		133,250
	273,030	(459,914)	(560,826)	142,502		(605,208)

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

METHODIST SCHOOLS' FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 July 2015

	Unrestricted Funds	← Restricted Funds →			
	General Accumulated Fund ("GAF") \$	School Building Endowment Fund ("SBEF") \$	CSL Endowment Fund ("CSLF") \$	MSF Financial Assistance Endowment Fund ("FAEF") \$	Total \$
Note					
Income					
Donations and offerings	381,697	–	–	–	381,697
Funds raised from Methodist Walk 2015	2,374,981	–	–	–	2,374,981
Net profit from monies placed in MCS Unitised Investment Fund	5 9,580	–	–	9,580	19,160
Net profit from monies placed with fund manager	4(c) –	802,386	365,053	–	1,167,439
	2,766,258	802,386	365,053	9,580	3,943,277
Expenditure					
Administration and accounts fees paid to the Methodist Church in Singapore	24,396	–	–	–	24,396
Distribution of school bursary from dividend received	7 –	–	130,198	–	130,198
Methodist Walk 2015					
- Distribution to schools	2,263,552	–	–	–	2,263,552
- Expenses	97,894	–	–	–	97,894
School grants					
- Provision for the year	7 –	500,000	–	–	500,000
Sundry expenses	21,413	–	–	–	21,413
	2,407,255	500,000	130,198	–	3,037,453
Net surplus of income over expenditure	359,003	302,386	234,855	9,580	905,824
Donations received recorded in MSF Financial Assistance Endowment Fund	–	–	–	5,870	5,870
Total comprehensive income for the year	359,003	302,386	234,855	15,450	911,694

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

METHODIST SCHOOLS' FOUNDATION

BALANCE SHEET
At 31 July 2016

		← Restricted Funds →				
	Unrestricted Funds					
	General Accumulated Fund ("GAF")	School Building Endowment Fund ("SBEF")	CSL Endowment Fund ("CSLEF")	MSF Financial Assistance Endowment Fund ("FAEF")	Total	
Note	\$	\$	\$	\$	\$	
Current assets						
Funds placed with fund managers	4	620,733	11,397,695	6,618,281	620,733	19,257,442
Funds placed in MCS Unitised Investment Fund	5	—	—	—	—	—
Prepayment		535	—	—	—	535
Cash and bank balances		565,656	120,615	—	247,540	933,811
		1,186,924	11,518,310	6,618,281	868,273	20,191,788
Current liabilities						
Payables and accruals	6	6,000	—	—	—	6,000
Provisions for school grants and bursaries	7	—	450,000	—	—	450,000
		6,000	450,000	—	—	456,000
Net assets		1,180,924	11,068,310	6,618,281	868,273	19,735,788
Funds						
Unrestricted Funds						
General Accumulated Fund		1,180,924	—	—	—	1,180,924
Restricted Funds						
School Building Endowment Fund	8	—	11,068,310	—	—	11,068,310
CSL Endowment Fund	9	—	—	6,618,281	—	6,618,281
MSF Financial Assistance Endowment Fund	10	—	—	—	868,273	868,273
		1,180,924	11,068,310	6,618,281	868,273	19,735,788

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

METHODIST SCHOOLS' FOUNDATION

BALANCE SHEET
At 31 July 2015

		←	Restricted Funds	→	
	Unrestricted Funds				
	General Accumulated Fund ("GAF")	School Building Endowment Fund ("SBEF")	CSL Endowment Fund ("CSLEF")	MSF Financial Assistance Endowment Fund ("FAEF")	Total
Note	\$	\$	\$	\$	\$
Current assets					
Funds placed with fund managers	4	–	11,907,609	7,179,107	19,086,716
Funds placed in MCS Unitised Investment Fund	5	481,319	–	–	962,638
Prepayment		535	–	–	535
Cash and bank balances		2,502,536	120,615	–	2,867,603
		2,984,390	12,028,224	7,179,107	22,917,492
Current liabilities					
Payables and accruals	6	2,076,496	–	–	2,076,496
Provisions for school grants and bursaries	7	–	500,000	–	500,000
		2,076,496	500,000	–	2,576,496
Net assets		907,894	11,528,224	7,179,107	20,340,996
Funds					
<i>Unrestricted Funds</i>					
General Accumulated Fund		907,894	–	–	907,894
<i>Restricted Funds</i>					
School Building Endowment Fund	8	–	11,528,224	–	11,528,224
CSL Endowment Fund	9	–	–	7,179,107	7,179,107
MSF Financial Assistance Endowment Fund	10	–	–	725,771	725,771
		907,894	11,528,224	7,179,107	20,340,996

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 2016

	Unrestricted Funds		Restricted Funds		Total
	General Accumulated Fund ("GAF")	School Building Endowment Fund ("SBEF")	CSL Endowment Fund (CSLEF)	MSF Financial Assistance Endowment Fund ("FAEF")	
	\$	\$	\$	\$	\$
2016					
Capital					
Balance at 1 August 2015	–	7,192,227	2,920,000	644,453	10,756,680
Donations received	–	–	–	133,250	133,250
Balance at 31 July 2016	–	7,192,227	2,920,000	777,703	10,889,930
Reserve					
Balance at 1 August 2015	907,894	4,335,997	4,259,107	81,318	9,584,316
Net surplus for the financial year	273,030	(459,914)	(560,826)	9,252	(738,458)
Balance at 31 July 2016	1,180,924	3,876,083	3,698,281	90,570	8,845,858
Total at 31 July 2016	1,180,924	11,068,310	6,618,281	868,273	19,735,788
2015					
Capital					
Balance at 1 August 2014	–	7,192,227	2,920,000	638,583	10,750,810
Donations received	–	–	–	5,870	5,870
Balance at 31 July 2015	–	7,192,227	2,920,000	644,453	10,756,680
Reserve					
Balance at 1 August 2014	548,891	4,033,611	4,024,252	71,738	8,678,492
Net surplus for the financial year	359,003	302,386	234,855	9,580	905,824
Balance at 31 July 2015	907,894	4,335,997	4,259,107	81,318	9,584,316
Total at 31 July 2015	907,894	11,528,224	7,179,107	725,771	20,340,996

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 2016

	2016	2015
	\$	\$
Cash flows from operating activities		
Net (deficit)/surplus for the financial year	(738,458)	905,824
Adjustments for:		
Loss from funds placed with fund managers	127,612	–
Loss/(profit) from funds placed in MCS Unitised Investment Fund	22,962	(19,162)
Operating cash flows before working capital changes	(587,884)	886,662
Changes in working capital:		
Payables	(2,120,496)	2,028,420
Receivables	–	(535)
Cash (used in)/generated from operations	(2,708,380)	2,914,547
Donations received	133,250	5,870
Net cash (used in)/generated from operating activities	(2,575,130)	2,920,417
Cash flows from investing activities		
Cash placed in funds placed with fund managers	(298,338)	(494,165)
Funds withdrawal from MCS Unitised Investment Fund	939,676	–
Cash generated from/(used in) investing activities	641,338	(494,165)
Net (decrease)/increase in cash	(1,933,792)	2,426,252
Cash at beginning of financial year	2,867,603	441,351
Cash at end of financial year	933,811	2,867,603

Cash represents cash and bank balances included in the balance sheet.

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 2016

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 fund raising for the improvement of the facilities and the provision of subsidies, grants and bursaries for students of Methodist schools in Singapore.

2 Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar which is the Company's functional currency, have been prepared in accordance with the provision of the Singapore Companies Act, Singapore Charities Act and Singapore Financial Reporting Standards ("FRS"). 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 FRS requires 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 revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments and estimates made during the financial year.

The carrying amounts of financial assets and liabilities with a maturity of less than one year which are stated at cost, are assumed to approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current year. The adoption of these new/revised FRS 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 2016 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, except as disclosed below:

FRS109 Financial Instruments

FRS 109 includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments. FRS 109, when effective will replace FRS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after 1 January 2018. The Company will review the requirements of FRS 109 and re-assess the classification and measurement of its financial assets and financial liabilities in accordance with this standard.

2 Significant accounting policies (cont'd)

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 fund raising events	- in the year the event occurs
Dividends	- when received
Interest	- on a time proportion basis

c) Taxation

The Company is registered as a charity under the Singapore Charities Act and is exempted from income tax under the provisions of the Income Tax Act, Cap. 134. Accordingly, no provision for tax is made in the financial statements.

d) Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. 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.

e) Foreign currency transactions

i) *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").

ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. 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 taken to profit or loss.

f) Cash and cash equivalents

For the purposes of 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.

2 Significant accounting policies (cont'd)

g) Financial assets

i) Classification

The Company classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Company's financial assets are loans and receivables and fair value through profit or loss financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "cash and bank balances" on the balance sheet.

The loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

An allowance for impairment of loans and receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for the trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

Fair value through profit or loss financial assets

Fair value through profit or loss financial assets are classified within "funds placed with fund managers" and "funds placed in MCS Unitised Investment Fund".

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or expected to be realised within 12 months after the balance sheet date.

Fair value through profit or loss financial assets are carried at fair value.

Realised and unrealised gains and losses arising from changes in the fair value of investments classified as fair value through profit or loss are included in profit or loss in the period which they arise.

The fair values of quoted financial assets are based on current bid prices.

2 Significant accounting policies (cont'd)

g) Financial assets (cont'd)

ii) *Recognition and derecognition*

Regular 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.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to profit or loss.

iii) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.

iv) *Subsequent measurement*

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including effects of currency translation, are recognised in profit or loss in the financial year in which the changes in fair values arise.

v) *Impairment*

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

h) Financial liabilities

The Company's only financial liabilities are payables and accruals. Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. 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.

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.

4 Funds placed with fund managers

- a) The funds are placed with professional fund managers who are given discretionary powers within certain guidelines to invest the monies.
- b) At 31 July 2016, the net asset value of the funds comprised the following:

	SBEF 2016 \$	GAF 2016 \$	FAEF 2016 \$	CSLEF 2016 \$	Total 2016 \$	Total 2015 \$
Quoted investments at fair value through profit or loss	8,706,748	549,936	549,936	5,875,614	15,682,234	16,261,979
Cash at bank	1,378,775	68,853	68,853	735,639	2,252,120	2,766,541
Interest receivable	55,910	–	–	–	55,910	55,019
Dividend receivable	22,133	–	–	–	22,133	28,544
Other receivables (payables)	1,234,129	1,944	1,944	7,028	1,245,045	(25,367)
	11,397,695	620,733	620,733	6,618,281	19,257,442	19,086,716
Quoted investment comprised the following:						
Listed equity securities (i)	3,155,748	549,936	549,936	5,875,614	10,131,234	9,519,489
Quoted corporate fixed rate notes and bonds (ii)	5,551,000	–	–	–	5,551,000	6,742,490
	8,706,748	549,936	549,936	5,875,614	15,682,234	16,261,979

Financial assets at fair value through profit or loss are analysed as follows:

(i) Listed equity securities

	2016 \$	2015 \$
Singapore	8,917,807	8,421,018
Hong Kong	917,946	819,909
Taiwan	69,470	65,593
Malaysia	226,011	212,969
	10,131,234	9,519,489

(ii) Quoted corporate fixed rate notes and bonds:

	2016 \$	2015 \$
Singapore dollar	5,551,000	5,863,885
United States dollar	–	878,605
	5,551,000	6,742,490

The above corporate fixed rate notes earn fixed interest income which, at the balance sheet date ranged from 2.54% to 6.50% (2015: 0% to 10.75%) per annum and mature from 1 to 7 (2015: 1 to 35) years after the balance sheet date.

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:

	SBEF 2016 \$	GAF 2016 \$	FAEF 2016 \$	CSLEF 2016 \$	Total 2016 \$	Total 2015 \$
Net asset value at 1 August	11,907,609	–	–	7,179,107	19,086,716	18,592,551
Cash injection	–	600,000	600,000	–	1,200,000	–
Cash withdrawal	(750,000)	–	–	(151,662)	(901,662)	(673,274)
	11,157,609	600,000	600,000	7,027,445	19,385,054	17,919,277
Income						
Foreign exchange gain	40,925	–	–	–	40,925	38,985
(Loss)/gain from investments	(139,422)	18,657	18,657	(642,610)	(744,718)	443,883
Gross dividend income	138,775	2,078	2,078	287,859	430,790	581,989
Interest from bonds	265,487	–	–	–	265,487	270,351
Interest from fixed deposits	1,309	–	–	–	1,309	2,004
	307,074	20,735	20,735	(354,751)	(6,207)	1,337,212
Less expenditure						
Management fee	36,057	–	–	54,283	90,340	73,833
Miscellaneous expenses	30,931	2	2	130	31,065	95,940
	66,988	2	2	54,413	121,405	169,773
Net profit/(loss) from investment	240,086	20,733	20,733	(409,164)	(127,612)	1,167,439
Net asset value at 31 July	11,397,695	620,733	620,733	6,618,281	19,257,442	19,086,716

5 Funds placed in MCS Unitised Investment Fund

The funds comprising of the General Accumulated Fund and the Methodist School Foundation Financial Assistance Endowment Fund ("FAEF") are placed with the Methodist Church in Singapore Unitised Investment Fund ("MCS Unitised Investment Fund") which represents funds contributed by The Methodist Church in Singapore ("MCS") and other Methodist organisations who pooled their funds to obtain better returns by placing them with a professional fund manager who would manage the pooled funds for MCS on a non-discretionary basis.

During the financial year, the movements in the net asset value of the funds placed with MCS Unitised Investment Fund are as follows:

	General Accumulated Fund 2016 \$	MSF FAEF 2016 \$	Total 2016 \$	Total 2015 \$
Net asset value at 1 August	481,319	481,319	962,638	943,478
Net (loss)/profit	(11,481)	(11,481)	(22,962)	19,160
Withdrawal	(469,838)	(469,838)	(939,676)	-
Net asset value at 31 July	-	-	-	962,638

6 Payables and accruals

	2016 \$	2015 \$
Distribution to schools - Methodist Walk 2015	-	2,069,496
Others	6,000	7,000
	6,000	2,076,496

7 Provisions for school grants and bursaries

	2016 \$	2015 \$
Provision for school grants	450,000	500,000

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

	2016 \$	2015 \$
Balance at beginning of financial year	500,000	450,000
Provision for current financial year charged to SBEF	700,000	500,000
Disbursements	(750,000)	(450,000)
Balance at end of financial year	450,000	500,000

7 Provisions for school grants and bursaries (cont'd)

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

	2016 \$	2015 \$
Balance at beginning of financial year	–	93,076
Provision for the financial year	151,662	130,198
Disbursements	(151,662)	(223,274)
Balance at end of financial year	–	–

8 School Building Endowment 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

This is a permanent endowment fund set up in accordance with the wishes of Chen Su Lan Trust (the donor). The donations received from the donor totalled \$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

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

11 Tax deductible donations

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

	2016 \$	2015 \$
Included in:		
Income statement (unrestricted fund)	125,734	1,446,706
MSF Financial Assistance Endowment Fund	133,250	5,750
	258,984	1,452,456

12 Financial instruments

a) Categories of financial instruments

Financial instruments as at balance sheet date are as follows:

	2016	2015
	\$	\$
<i>Financial assets</i>		
Funds placed with fund managers	19,257,442	19,086,716
Funds placed in MCS Unitised Investment Fund	–	962,638
	<hr/> 19,257,442	<hr/> 20,049,354
Cash and bank	<hr/> 933,811	<hr/> 2,867,603
<i>Financial liabilities</i>		
Payables and accruals at amortised cost	6,000	2,076,496
	<hr/> 6,000	<hr/> 2,076,496

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 Board of Directors.

i) Market risk

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 bears 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 [Note 4(b)]. If the share price of the equity investment change by 2% (2015 : 2%) with all other variables held constant, the fund placed with fund manager will changed by \$202,625 (2015: \$190,390).

Quoted bonds

The Company has investments in quoted bonds [Note 4(b)]. If market interest rates had been 50 (2015: 50) basis points lower/higher with all other variables held constant, the fund placed with fund manager will changed by \$27,755 (2015: \$33,712).

Funds placed in MCS Unitised Investment Fund

If the market price of the funds placed in MCS Unitised Investment Fund change by 2% (2015: 2%) with all other variable held constant, the effect will be to increase/decrease the funds placed with in MCS Unitised Investment Fund by \$Nil (2015: \$19,300).

12 Financial instruments (cont'd)

b) Financial risk management (cont'd)

i) Market risk (cont'd)

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 currencies of the Company. The foreign currency in which the Company's currency risk arises are mainly from United States dollar (USD).

The sensitivity to change in the USD exchange rates against the functional currencies of the Company's is not disclosed as the effect on profit or loss is considered not significant.

ii) Credit risk

The Company has significant concentration of credit risk in respect of funds placed with fund managers and in MCS Unitised Investment Fund (Notes 4 and 5).

iii) Liquidity risk

The Board of Directors exercises prudent liquidity and cash flow risk management polices 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 balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted payments.

13 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).

(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 balance sheet date. The quoted market price used for the above financial assets held by the Company is the current bid price. These instruments are included in Level 1 of the fair value hierarchy.

The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the balance sheet date. These investments are classified as Level 2 of the fair value hierarchy.

(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.

14 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 2016 and 31 July 2015.

15 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 July 2016 were authorised for issue in accordance with a resolution of the directors dated 28 September 2016.