

ZONTA SINGAPORE - PROJECT PARI FUND

[Unique Entity No. T10CC0004L]

[IPC No. IPC000699]

[Registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

CONTENTS

Statement by Management Committee	2
Independent Auditors' Report	3
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Changes in Fund	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

Fiducia LLP

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Public Accountants and

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STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 16 are drawn up so as to give a true and fair view of the financial position of the Fund as at 30 April 2016 and of its financial performance, the changes in fund and cash flows of the Fund for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

Cheong Swee Ying	Chairman	
Loy Sai Lan Caroline	Honorary Treasurer	(Appointed on 11 May 2016)
Kon Mei Leen	Honorary Secretary	
Julie Kwong	Committee Member	
Grace Chiam Chu Teng	Committee Member	(Appointed on 11 May 2016)

For and on behalf of the Management Committee,

Cheong Swee Ying
Chairman

Loy Sai Lan Caroline
Honorary Treasurer

Singapore,

Fiducia LLP

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Independent auditors' report to the members of:

ZONTA SINGAPORE – PROJECT PARI FUND

[UEN: T10CC0004L]

[IPC No. IPC000699]

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Singapore]

Report on the Financial Statements

We have audited the financial statements of **ZONTA SINGAPORE – PROJECT PARI FUND** (the "Fund") for the financial year ended 30 April 2016 as set out on pages 5 to 16, which comprise the statement of financial position as at 30 April 2016, the statement of financial activities, the statement of changes in fund and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 provision of the Societies Act (Chapter 311), Charities Act (Chapter 37) 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, that 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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.

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(CONT'D)

Independent auditors' report to the members of:

ZONTA SINGAPORE – PROJECT PARI FUND

[UEN: T10CC0004L]

[IPC No. IPC000699]

[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 April 2016, and the financial performance, changes in fund and cash flows of the Fund for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Fund have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Fund.

Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore,

Partner-in-charge: Lee Choon Keat

PAB. No.: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	Note	2016 S\$	2015 S\$
INCOME			
Voluntary income			
Donations	5	<u>104,050</u>	<u>61,664</u>
		<u>104,050</u>	<u>61,664</u>
Other income			
Bank interest received		<u>124</u>	<u>124</u>
		<u>124</u>	<u>124</u>
TOTAL INCOME		<u>104,174</u>	<u>61,788</u>
LESS: EXPENDITURE			
Cost of generating funds			
Fundraising		<u>1,042</u>	<u>100</u>
		<u>1,042</u>	<u>100</u>
Cost of charitable activities			
Enrichment programmes		3,776	5,603
Enrichment transport		701	1,014
Pocket money		<u>34,005</u>	<u>46,010</u>
		<u>38,482</u>	<u>52,627</u>
Governance and administrative costs			
Accounting fees		720	720
Administration fees		1,200	1,200
Audit fee			
- Current year		1,605	1,572
Bank charges		134	164
Printing and stationery		<u>0</u>	<u>(250)</u>
		<u>3,659</u>	<u>3,406</u>
TOTAL EXPENDITURE		<u>43,183</u>	<u>56,133</u>
Net income/ (expenditure) for the year		60,991	5,655
Total funds brought forward		<u>267,214</u>	<u>261,559</u>
Total funds carried forward		<u>328,205</u>	<u>267,214</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2016

	Note	2016 S\$	2015 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	330,310	267,866
Other receivables	7	0	953
		<u>330,310</u>	<u>268,819</u>
Total assets		<u>330,310</u>	<u>268,819</u>
LIABILITY			
Current liability			
Other payables	8	<u>2,105</u>	<u>1,605</u>
Total liability		<u>2,105</u>	<u>1,605</u>
NET ASSETS		<u>328,205</u>	<u>267,214</u>
UNRESTRICTED FUND			
General Fund	9	<u>328,205</u>	<u>267,214</u>

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

STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	Note	Balance at beginning of year S\$	Net income for the year S\$	Transfers between funds S\$	Balance at end of year S\$
2016					
UNRESTRICTED FUND					
General Fund	9	<u>267,214</u>	<u>60,991</u>	<u>0</u>	<u>328,205</u>
2015					
UNRESTRICTED FUND					
General Fund	9	<u>261,559</u>	<u>5,655</u>	<u>0</u>	<u>267,214</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net income for the year		<u>60,991</u>	<u>5,655</u>
Operating cash flow before working capital changes		60,991	5,655
Changes in operating assets and liabilities			
- Other receivables		953	7,087
- Other payables		<u>500</u>	<u>(428)</u>
Net cash provided by operating activities		<u>1,453</u>	<u>12,314</u>
Net increase in cash and cash equivalents		62,444	12,314
Cash and cash equivalents at beginning of financial year		<u>267,866</u>	<u>255,552</u>
Cash and cash equivalents at end of financial year	6	<u><u>330,310</u></u>	<u><u>267,866</u></u>
Cash and cash equivalents comprise:			
Cash at bank	6	<u>330,310</u>	<u>267,866</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

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

1. General information

Zonta Singapore – Project Pari Fund (“the Fund”) was set up by the Zonta Club of Singapore, a society registered with the Registry of Singapore under the Societies Act (Chapter 311). The address of its registered office and principal place of business is located at 42 Everton Road #09-04 Asia Gardens Singapore 089394.

It is a charity registered under the Charities Act (Chapter 37) since 21 April 2010. The Fund has been accorded an Institution of Public Character (‘IPC’) status for the period from 1 May 2014 to 30 April 2016. It has renewed its IPC status for the period from 1 May 2016 to 30 April 2018.

The principal activities of the Fund are to provide financial assistance to female students selected by secondary school principals in the form of pocket money of SGD 50 per month each year till they complete their secondary school education. Other than pocket money, the students selected will attend life skills workshops, group outings and other enrichment programmes.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar, which is the Fund’s functional currency.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Fund’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 May 2015, the Fund adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Fund’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Fund and had no material effect on the amounts reported for the current or prior financial years.

Standard issued but not yet effective

New standards, amendments to standards and interpretations that are not yet effective for the financial year ended 30 April 2016 have not been applied in preparing these financial statements.

None of these will have a significant effect on the financial statements of the Fund.

2. Significant accounting policies (Cont'd)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Fund's activities. Revenue is presented, net of goods and services tax, rebates and discounts, where applicable. Revenue is recognised as follows:

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kinds are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Other Income

Other income is recognised when incurred.

2.3 Financial assets

2.3.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables. The classification depends on 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.

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 statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "other receivables" and "cash and cash equivalents" on the statement of financial position.

2.3.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

2.3.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.3.4 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2. Significant accounting policies (Cont'd)**2.3 Financial assets (Cont'd)****2.3.4 Impairment (Cont'd)**

An allowance for impairment of loans and receivables, including other receivables, is recognised when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables and investments. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is 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 amount of the allowance for impairment is recognised in the statement of financial activities.

2.4 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, approximate their fair values due to their short-term nature.

2.5 Cash and cash equivalents

Cash and cash equivalents include deposit with financial institutions that are subject to an insignificant risk of change in value.

2.6 Other receivables

Other receivables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.7 Other payables

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.8 LeasesOperating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognized as an expense in the income statement in the financial year in which they are incurred.

2. Significant accounting policies (Cont'd)

2.9 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.10 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Fund if that person:

- (i) Has control or joint control over the Fund;
- (ii) Has significant influence over the Fund; or
- (iii) Is a member of the key management personnel of the Fund or of a parent of the Fund;

(b) An entity is related to the Fund if any of the following conditions applies:

- (i) The entity and the Fund are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Fund or an entity related to the Fund. If the Fund is itself such a plan, the sponsoring employers are also related to the Fund;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the Fund's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for impairment of receivables

The Fund reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluate the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Income tax

The Fund is a charity registered under the Charities Act since 21 April 2010. Consequently, the income of the Fund is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

5. Donations

	2016 S\$	2015 S\$
Tax deductible donations	61,850	40,106
Non-tax deductible donations	42,200	21,558
	<u>104,050</u>	<u>61,664</u>

6. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash at bank	<u>330,310</u>	<u>267,866</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair values.

7. Other receivables

	2016 S\$	2015 S\$
Prepayment	0	513
Advance Pocket Money	0	440
	<u>0</u>	<u>953</u>

At the reporting date, the carrying amounts of other receivables approximated their fair value.

8. Other payables

	2015 S\$	2014 S\$
Accruals	<u>2,105</u>	<u>1,605</u>

At the reporting date, the carrying amounts of other payables approximated their fair values.

9. General Fund

The General Fund is for the purpose of meeting operating expenses incurred by the Fund.

10. Related party transaction

There was no transaction between the Fund and related party for the financial year ended 30 April 2016 and 30 April 2015.

During the financial year, none of the management committee members received any remuneration from the Fund.

11. Reserve position and policy

The Fund's reserve position for financial year ended 30 April 2016 is as follows:

		2016	2015	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Fund			
	General Fund	328	267	22.85
B	Restricted Fund	N/A	N/A	N/A
C	Endowment Fund	N/A	N/A	N/A
D	Total Fund	328	267	22.85
E	Total Annual Operating Expenditure	43	56	(23.21)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	7.63	4.77	

Reference:

C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted/ designated and endowment funds.

E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration expenses.

The primary objective in the Management Committee of the Fund's reserves is to ensure that there are sufficient funds to support a student for the 5 years before embarking to get new applicants.

12. Financial risk management

The Fund is mainly exposed to currency risk, interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Management Committee. The Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk and liquidity risk use of derivative financial instruments and investing excess liquidity.

Currency risk

The Fund is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollars.

Interest rate risk

The Fund is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The interest bearing assets comprise bank balance, which are short-term in nature. Any short-term fluctuation in interest rates will not significantly affect the Fund. No sensitivity analysis is prepared as the Fund does not expect any material effect on the Fund's profit or loss arising from the effects of reasonably possible changes in interest rates on interest-bearing financial instruments at the end of the reporting period.

12. Financial risk management (Cont'd)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund. The major classes of financial assets of the Fund are bank deposits. For other financial assets, the Fund adopts the policy of dealing only with high credit quality counterparties.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations due to shortage of funds. The Fund exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Fund maintains a level of cash and cash equivalents deemed adequate to finance the Fund's operations.

The table below summarises the maturity profile of the Fund's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year	Later than one year but not later than five years	Total
	S\$	S\$	S\$
2016			
Financial asset			
Cash and cash equivalents	330,310	0	330,310
	<u>330,310</u>	<u>0</u>	<u>330,310</u>
Financial liability			
Other payables	(2,105)	0	(2,105)
	<u>(2,105)</u>	<u>0</u>	<u>(2,105)</u>
Net financial asset	<u>328,205</u>	<u>0</u>	<u>328,205</u>

	Within one year	Later than one year but not later than five years	Total
	S\$	S\$	S\$
2015			
Financial asset			
Cash and cash equivalents	267,866	0	267,866
Other receivables	440	0	440
	<u>268,306</u>	<u>0</u>	<u>268,306</u>
Financial liability			
Other payables	(1,605)	0	(1,605)
	<u>(1,605)</u>	<u>0</u>	<u>(1,605)</u>
Net financial asset	<u>266,701</u>	<u>0</u>	<u>266,701</u>

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Fund approximate their fair values due to their short-term nature.

13. Fund management policy

The primary objective of the Fund is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

14. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on