PAP COMMUNITY FOUNDATION

Charity Division

ANNUAL REPORT

1 January – 31 December 2025

CONTENTS PAGE

ABOUT US

The People's Action Party Community Foundation - Charity Division (PCF-CD) was set up on 23 July 2002. It was registered as a charity under the Charities Act (Chapter 37) from 25 July 2002 and has been accorded IPC (Institution of a Public Character) status from 24 July 2024 to 23 April 2028.

PCF-CD has a Constitution as its governing instrument.

The objects for which the PCF-CD established are:

a) To promote the welfare and interests of the citizens of, and residents in Singapore without distinction of sex, race, or religion.

b) To advance and improve the standard of life and social well-being in Singapore by:

   i) Fostering, developing and improving education of all kinds, and in any such manner as may, from time to time, be decided upon by the Charity including but without prejudice to the generality of this provision, the founding and maintenance of scholarships, bursaries, study loans and the endowment of chairs at schools, colleges, and universities.

   ii) Providing playing fields and recreation grounds for the public, and fostering and developing by such means as may from time to time be determined upon, all healthy, sporting and recreational activities in all parts of Singapore; and

c) To establish and maintain or to secure the establishment and maintenance of centres for community development (hereinafter called "the centres") and to maintain and manage or to co-operate with any governmental or statutory body, association or other local citizen group in the maintenance and management of, such centres for activities promoted by the Charity and its constituent bodies in furtherance of the above objects.

d) The relief of human suffering, the combating, treatment and prevention of sickness and disease, and in particular the provision of or contribution towards medical and scientific research and teaching of all kinds and providing for the victims of fire, flood, famine, war, pestilence or any other calamities.

e) The relief of poor and needy persons who by reason of age, ill health, misfortune or infirmity are wholly or in part unable to maintain themselves and their dependents by their own exertions and in particular widows and orphans, by providing and maintaining homes for the aged, the sick and the handicapped.

f) To aid, assist and give relief in any manner and to any extent to any charitable institution whose object or objects are similar to or comparable with the objects of the Charity, including hospitals, sanatoria, homes or places of refuge or shelter, educational institutions, schools, orphanages, libraries, universities, industrial welfare establishments and other charitable organisations provided always that notwithstanding anything heretofore contained no grant or assistance shall be given which shall be in aid of any political organisation or for any political purpose.

g) To assist by way of grants, donations or otherwise such charitable, educational or otherwork, object or endeavour in Singapore as the Charity considers desirable in the interests of or in furtherance of, the objects of the Charity.

CHAIRMAN'S MESSAGE

The PAP Community Foundation (PCF) is committed to empowering communities and enabling individuals to thrive, regardless of their background or circumstance.

In FY2025, the Charity Division advanced this mission by supporting children, families, and communities facing greater vulnerability, while strengthening conditions for every child to begin life with confidence and dignity. As Singapore marked her 60th year of independence, our efforts emphasised social mixing, intergenerational connection, and community solidarity, reinforcing our belief that a cohesive society leaves no one behind.

Supporting Children and Families

More than 11,000 PCF Sparkletots Preschool (PCFSP) children benefited from financial assistance, alongside out-of-classroom learning opportunities that helped children build confidence, social skills, and positive family relationships. These efforts were underpinned by sustained funding commitments, with over S$2.5 million deployed across financial assistance and experiential learning programmes.

Expanding Holistic Support

Beyond the provision of financial assistance, the Charity Division also expanded their reach, collectively supporting tens of thousands of individuals across various communities. This extended support encompassed a range of targeted initiatives aimed at addressing practical needs and affirming each individual's dignity. Our programmes spanned educational support, school readiness, and experiential initiatives to empower individuals. Through these efforts, children were offered opportunities to learn and explore within a nurturing and encouraging environment.

KidSTART Sparkle Homes Initiative

FY2025 saw the introduction of the KidSTART Sparkle Homes' Initiative, extending support beyond preschools and programmes into the home. Up to 60 families received targeted assistance to strengthen their children's home learning and development environments, supporting a more holistic approach to early childhood development.

Volunteerism and Sustainability

Over 3,600 staff volunteers contributed across community and CSR initiatives, benefiting thousands of individuals. Alongside volunteer efforts, Charity Division strengthened its approach to sustainability. By integrating sustainable practices into its programmes and operations, the Charity Division underscored its broader dedication to social responsibility.

Flagship Programmes and Collective Impact

Flagship events such as Charity Week and the PCF SG60 Family Day demonstrated the strength of collective action and shared responsibility, bringing together staff, families, seniors, partners, and volunteers in a spirit of care and community. Through these efforts, more than 7,000 volunteer hours were contributed to service of the community.

Looking Ahead

The Charity Division will continue to refine its programmes, deepen partnerships, and strengthen accountability, remaining firmly anchored in its core purpose to uplift lives in a manner which is discreet, practical and truly meaningful.

I would like to express my sincere appreciation to our Charity Management Committee members, partners, volunteers, management, and staff for their dedication and steadfast commitment, and to all who have supported the Charity Division's work during the year.

Mrs Josephine Teo
Chairman
PCF Charity Management Committee

THE YEAR AHEAD

Our Future Plans
Shaping Futures, Strengthening Communities

As PCF celebrates its 40th Anniversary in FY2026, the Charity Division aims to touch more lives to create a “Shared Future” for all and build towards a compassionate community.

We will continue to deepen our outreach to serve underprivileged children and families through our support programmes, initiatives, and events. New learning journeys and enrichment programmes will be rolled out to inspire children. An event involving children with special needs during Charity Week will be organised to engage them in 2026. We will invest approximately S$4 million to run all our regular support programmes, including the Financial Assistance Programmes and Gifting Programmes, to benefit children from low-income families across our 350 PCFSP preschools.

For seniors, the Charity Division will continue to build partnerships with PCF Sparkle Care to develop meaningful activities and events to engage active seniors and seniors from the senior care centre, including more intergenerational opportunities that strengthen ties between younger and older generations.

For families in need, the Charity Division will focus on strengthening community partnerships with Food from the Heart and new partners such as Willing Hearts, Food Bank, and Smile Salam, to reach more underserved families in the community.

Our strong pool of 9,000 staff volunteers will continue to participate in at least two CSR events annually, contributing to a more compassionate community in FY2026.

Together as “One Foundation”, we will continue to fulfil “Many Dreams” to build a “Shared Future”.

1. Supporting Children and Families

The Headstart Fund (HSF) Financial Assistance Scheme / Activities / Learning Journeys / Parent-Child programmes will continue to serve and benefit an estimated 28,000 children in FY2026, with S$3.2 million set aside for this purpose.

Gifting Programmes such as the Sparkle Gift of Love programme, Spark Dreams Child Development Account (CDA) Top-Up, and School Readiness Programme will continue to reach approximately 7,000 eligible children, with S$655,000 set aside.

The Home Improvement initiative will benefit at least 100 KidSTART families with home-related and child development needs, from the S$150,000 set aside.

2. Time Out Do Good

“Time Out Do Good” is PCF’s corporate social responsibility (CSR) slogan that brings staff together to give back to the community.

In 2026, efforts under this initiative will be expanded to deepen impact and reach more beneficiaries:

- Charity Week 2026 will be scaled up to include and benefit more beneficiaries, including children with special needs.
- New CSR partnerships will be established to widen volunteering opportunities and expand outreach to underprivileged communities.
- All 9,000 PCF staff volunteers will aim to participate in at least two CSR events in FY2026.
- Efforts on environmental sustainability will continue, with events such as beach clean-ups and recycling collection drives planned for the year.

3. Fundraising Plans for FY2026

Two major fundraising events will be organised in FY2026 to support disadvantaged individuals and smaller charities in the community.

Lee Hsien Loong Cup Charity Golf Tournament 2026
The Lee Hsien Loong Cup Charity Golf Tournament 2026 aims to raise S$800,000. Held annually, the event raises funds to support programmes for underprivileged children, youth development, senior citizens, and low-income families in the community.

Mayor-led District Fundraising Event
The Mayor-Led District Fundraising Event was not organised in FY2025. This fundraising event will resume in FY2026, with the Central District leading efforts to raise funds in support of the less privileged in the community.

4. Expenditure Plans for FY2026

Financial Assistance, Activities, Programmes & Donations
The Charity Division will continue to support children from lower-income households enrolled in our PCF Sparkletots Preschools (PCFSP) through our various support programmes and initiatives. A total of S$4 million will be set aside to benefit approximately 30,000 children.

In addition, S$200,000 has been allocated for donations to charitable organisations, extending our community impact and supporting initiatives aligned with our mission.

5. PCF40 Celebration

Relevant learning journeys and HSF activities aligned with our PCF40 Anniversary theme of "**One Foundation. Many Dreams. A Shared Future"** will be curated to inspire children and build a bright future.

In line with the PCF40 theme, the events for the Annual Charity Week for the Charity Division will be planned to include more beneficiaries, families, and children with special needs.

To commemorate the special anniversary, a PCF40 musical will be planned and beneficiaries from PCFSP, PCF Sparkle Care, and selected charities will be invited to attend the musical.

In Summary

The various programmes and initiatives of PCF-CD reflect our commitment to building an inclusive community and brighter future.

It is the dedication, compassion, and passion of everyone that make a difference to create a positive change in our community.

Together as **ONE PCF Family**, we can walk through the journey to create a long-lasting positive impact on the lives we touch.

Thank you for your continued support and dedication to our shared vision.

Mr Victor Bay
Chief Executive Officer
Date of Appointment: 24/06/2015

PCF CHARITY MANAGEMENT COMMITTEE (CMC)

Chairman
Mrs Josephine Teo
Minister
Ministry of Digital Development and Information
Minister-in-charge of Cybersecurity & Smart Nation Group
Date of Appointment: 13/06/2022

Treasurer
Ms Yeo Wan Ling
Member of Parliament
Date of Appointment: 01/04/2024

Member
Ms Indranee Rajah
Minister in the Prime Minister's Office
Second Minister for Finance and National Development
Leader of the House
Date of Appointment: 01/03/2016

Member
Ms Sim Ann
Senior Minister of State
Ministry of Foreign Affairs
Ministry of Home Affairs
Deputy Government Whip
Date of Appointment: 01/06/2011

Member
Ms Low Yen Ling
Senior Minister of State
Ministry of Culture, Community and Youth
Ministry of Trade and Industry
Mayor, South West District
Date of Appointment: 01/03/2016

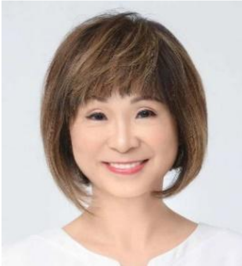
Photos Credit: People's Action Party

Member

Ms Rahayu Mahzam
Minister of State
Ministry of Digital Development and Information
Ministry of Health
Date of Appointment: 01/10/2020

Member

Mr Heng Chee How
Executive Director
Singapore Labour Foundation
Date of Appointment: 01/06/2011



Member

Dr Amy Khor[1]
Former Senior Minister of State
Date of Appointment: 01/03/2016

Member

Ms Ng Ling Ling[1]
Managing Director, Sustainability & Community
Tower Capital Asia Pte Ltd
Date of Appointment: 21/03/2022

Photos Credits: People's Action Party

[1] Stepped down on 1 September 2025

MANAGEMENT

PCF-CD employed 5 staff to run its operations. All the administrative services for the PCF-CD for FY2025 were provided by employees of the PAP Community Foundation.

UEN NUMBER AND REGISTERED ADDRESS

UEN Number	:	T02CC1585L
Charity Status	:	Registered
Date of Charity Registration	:	25/07/2002
IPC Status	:	Live
IPC Period	:	From 24/07/2024 to 23/04/2028
Registered Address	:	57B New Upper Changi Road #01-1402 PCF Building Singapore 463057
Website	:	https://www.pcf.org.sg
Primary Sector	:	Social and Welfare
Banker	:	DBS Bank Ltd
Auditor	:	Deloitte & Touche LLP

ANNUAL REMUNERATION OF 3 HIGHEST PAID STAFF

(exceeding $100K)

Salary Band	Head Count
Between $100,001 to $200,000	2

There were no paid staff who are close members of the family of the Executive Head or Charity Management Committee (CMC) Members, who received more than $50,000 in annual remuneration during the year.

Staff are not involved in setting their own remuneration.

DISCLOSURE / REMUNERATION OF PCF CHARITY MANAGEMENT COMMITTEE (CMC) MEMBERS

The CMC's Self-Evaluation Exercise was conducted on 21 November 2025 and the next will be in 2028.

No CMC Member received remuneration for their services. There were no claims for reimbursements, allowances, or direct payments to third parties on their behalf.

MEMBERS SERVING BEYOND THE 10-YEAR TERM

As at the date of this Annual Report, Ms Sim Ann has served the CMC for more than 10 years.

The CMC has retained her service beyond the 10-year term limit in view of their deep institutional knowledge, sector expertise, and significant contributions, which continue to be highly beneficial to the CMC in fulfilling its mission and strategic objectives. Her experience provides continuity, stability, and informed oversight, particularly during periods of organisational development and transition.

The overall composition of the CMC reflects a healthy mix of tenure, skills, and perspectives. The CMC remains mindful of the importance of renewal and diversity of thought, and actively reviews its composition on a regular basis to ensure continued effectiveness.

As part of its succession planning framework, the CMC proactively and continuously identifies and sources suitable candidates to enable orderly renewal and leadership continuity. This process takes into consideration the competencies, experience, and values required to support the CMC's long-term sustainability and good governance.

VOLUNTEER MANAGEMENT POLICY

PCF-CD adheres to a Volunteer Management Policy that provides overall guidance and direction for the engagement and management of volunteers across the organisation.

The Policy outlines, among others, the roles and responsibilities of various stakeholders involved in volunteer service, as well as the Code of Conduct applicable to all volunteers.

FINANCIAL MANAGEMENT AND INTERNAL CONTROLS

PCF-CD is committed to maintaining strong financial management and internal control systems. Our practices adhere to established accounting principles and regulatory requirements, providing a solid foundation for accurate financial operations.

The CMC reviews and endorses the annual budget prepared by Management. We have established written procedures for financial matters, including procurement procedures and controls, receipting, payment procedures and controls, and systems for delegation of authority and limits. Comprehensive internal controls are in place to safeguard assets, prevent fraud, and ensure compliance with financial policies. The CMC oversees the effectiveness of these controls, which are regularly reviewed and updated as needed.

CONFLICT OF INTEREST POLICY

PCF-CD is committed to upholding the highest standards of integrity and transparency. Our Conflict of Interest Policy addresses potential and actual conflicts by providing a framework for their identification and management. All CMC Members and employees are required to abide by this policy and make full disclosure of any interests, relationships, or holdings that could potentially result in a conflict of interest.

When a conflict of interest situation arises, the concerned Member or employee must abstain from participating in discussions, decision-making, and voting on the matter. These procedures are designed to prevent conflicts from influencing our operations and to uphold the trust and confidence of our stakeholders.

ENTERPRISE RISK MANAGEMENT

PCF-CD is committed to a robust Enterprise Risk Management (ERM) framework that supports our strategic objectives and operational continuity. Our ERM process includes regular assessments and reviews of risks by the risk management team, with updates provided to Management and the CMC. Process owners are responsible for evaluating workflows, assessing control effectiveness, and implementing necessary risk mitigation measures.

Key risks are systematically identified and monitored to ensure timely responses. We track mitigating initiatives and key risk indicators, with reports provided to the Audit and Risk Committee. This enables us to manage risks effectively for long-term operational resilience. Through the ERM process, we aim to sustain operational resilience and achieve our strategic goals.

PERSONAL DATA PROTECTION ACT (PDPA)

PCF-CD is committed to protecting personal data in accordance with the Personal Data Protection Act (PDPA). We recognise the importance of safeguarding individual rights related to personal data, including but not limited to access, correction, and protection. We have established comprehensive policies and procedures to ensure compliance with the PDPA.

To reinforce our commitment, all employees are required to undergo PDPA training to understand and adhere to data protection principles. Additionally, we have policies and procedures to safeguard personal data against unauthorised access, collection, use, disclosure, copying, modification, or disposal. PCF-CD is dedicated to protecting the privacy and personal information of all individuals in our possession.

RESERVES POLICY

PCF-CD is committed to maintaining a prudent reserve policy to ensure the financial stability and long-term sustainability of its operations. Our reserves are designated to provide a financial buffer for unforeseen circumstances and to support our ongoing operations and strategic initiatives. We aim to maintain reserves equivalent to six (6) to twelve (12) months of our annual operating budget, which is reviewed from time to time to ensure adequacy and alignment with our financial goals.

WHISTLE BLOWING POLICY

PCF-CD is committed to maintaining a transparent and accountable environment where concerns about misconduct, illegal activities, or unethical behaviour can be reported without fear of retaliation.

Our Whistleblowing Policy provides a clear and confidential channel for raising such concerns. An appointed team independently investigates whistleblowing complaints, with oversight from the Audit and Risk Committee, to ensure thorough and impartial management. We encourage stakeholders to use this channel for reporting serious concerns that fall within the scope of the policy.

CODE OF GOVERNANCE

PCF-CD is committed to upholding the highest standards of corporate governance in line with Singapore's regulatory framework. Our Code of Governance establishes a framework for ethical conduct, accountability, and transparency.

Our governance practices are aligned with the principles outlined in the Code of Governance for Charities and Institutions of a Public Character (IPCs) issued by the Commissioner of Charities. This includes maintaining a robust framework for managing risks, ensuring the independence and effectiveness of the CMC and upholding transparency in financial reporting and operations.

The CMC provides strategic direction, oversight, supports effective governance by reviewing financial statements, risk management processes, and compliance with regulatory requirements. We are committed to continuous improvement and regularly review our governance practices to ensure they meet evolving standards and best practices.

PCF-CD’s Governance Evaluation Checklist for the period 1 January to 31 December 2025 can be viewed at the Charity Portal: www.charities.gov.sg

PCF CHARITY MANAGEMENT COMMITTEE MEETING ATTENDANCE RECORD

Name of CMC Members	Position	Attendance Records
Mrs Josephine Teo	Chairman	2 of 2
Ms Yeo Wan Ling	Treasurer	1 of 2
Ms Indranee Rajah	Member	0 of 2
Ms Sim Ann	Member	1 of 2
Ms Low Yen Ling	Member	0 of 2
Ms Rahayu Mahzam	Member	0 of 2
Mr Heng Chee How	Member	2 of 2
Dr Amy Khor (stepped down w.e.f. 1 Sep 2025)	Member	0 of 1
Ms Ng Ling Ling (stepped down w.e.f. 1 Sep 2025)	Member	1 of 1

EVENTS

PCF Charity Week 2025 “Kindness Begins with Me”

Held from 25 to 29 August 2025, the PCF Charity Week 2025 saw an encouraging turnout of 3,400 staff volunteers, who contributed more than 7,000 volunteer hours and impacted over 35,000 lives through a series of meaningful initiatives.

Themed “Kindness Begins with Me” and in celebration of SG60, the event underscored three key goals:

- To reaffirm PCF’s commitment to serve with empathy and purpose.
- To rally staff across all divisions to give back to the community, and
- To give, support, and uplift seniors, children, and families in our community.

Highlights from PCF Charity Week 2025 included:

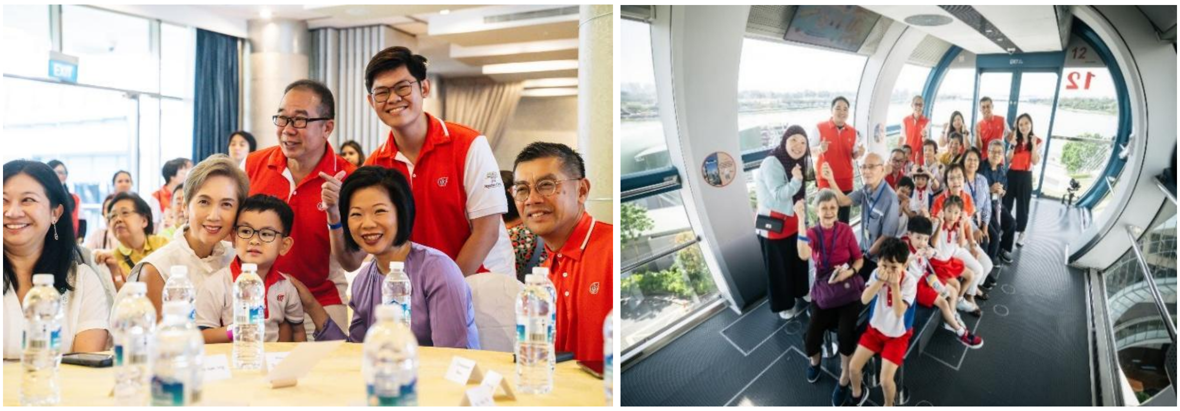
1. PCF Charity Management Committee (CMC) Chairman Mrs Josephine Teo announced the launch of PCF Charity Week 2026 and the distribution of S$70,000 worth of home appliances and grocery vouchers to support 776 families in need across Singapore.

2. An intergenerational SG60 celebration at the Singapore Flyer, where 60 children, 60 seniors, and 60 volunteers came together for an outing, games, and performances.

3. Kindness-themed lessons at PCFSP preschools, with appreciation shown to community workers, bus captains, and police officers.

4. A total of 160 volunteers engaged 760 seniors from PCF Sparkle Care Senior Care Centres and Active Ageing Centres.

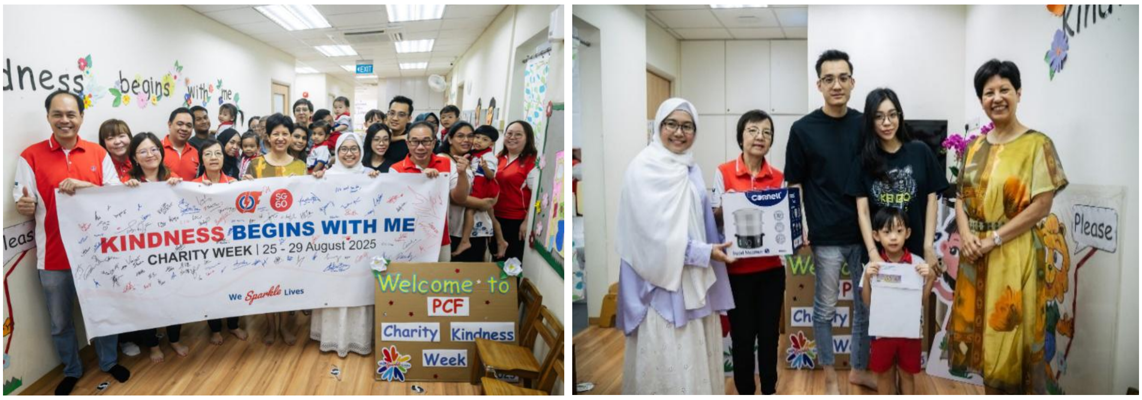
5. An SG60 heritage tour and parent-child bonding visit to Madame Tussauds Singapore in Sentosa.



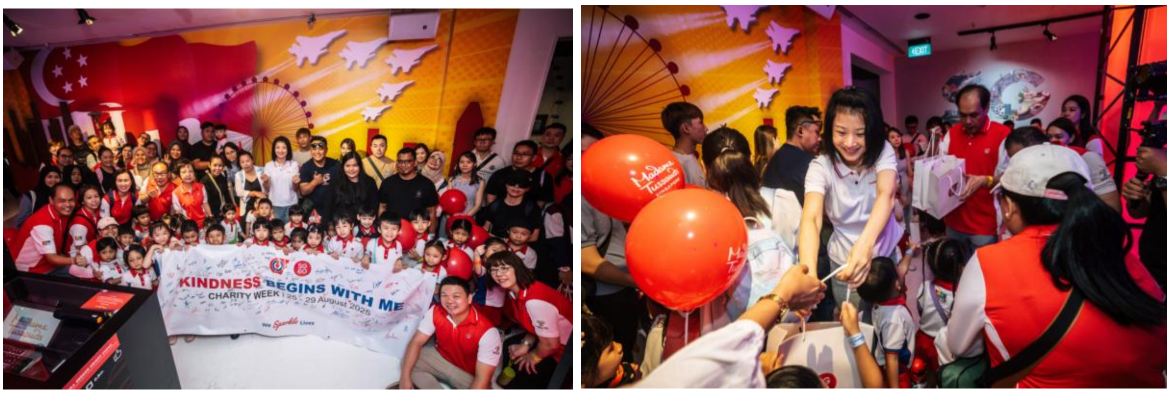
Day 1 – Launch of PCF Charity Week 2025 at The Singapore Flyer.

Day 2 – Kindness Awareness Day at PCFSP.

Day 3 – Engaging Seniors at PCF Sparkle Care centres.



Day 4 – Community Engagement with PCF Branch Chairmen.



Day 5 – Parent-child bonding day at Madame Tussauds Singapore.

Headstart Fund (HSF) Programme – Financial Assistance Scheme & SG60 Social Mixing Activities (NEW for SG60 Celebrations)

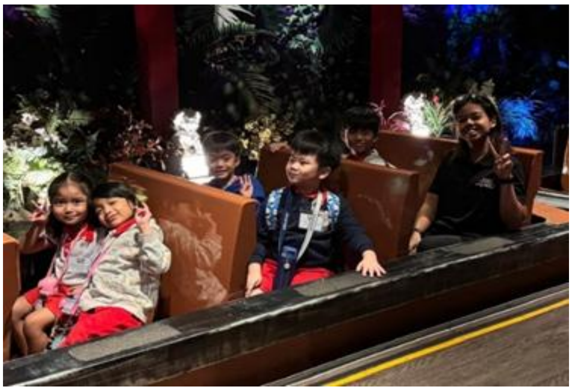
The HSF programme supports growth, nurtures potential, and creates opportunities for children from low-income families, going beyond financial assistance.

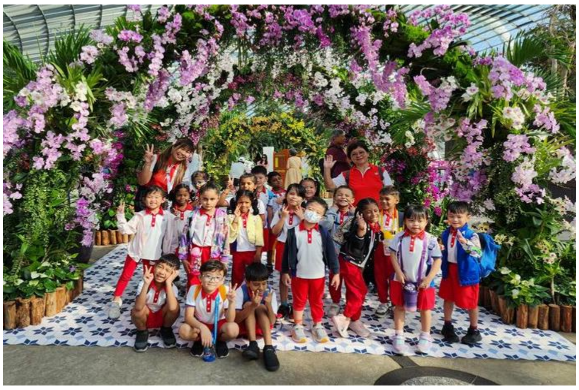
In FY2025, S$1.92 million was disbursed to support 11,239 young beneficiaries with school fees and education-related expenses.

In support of holistic development, a series of SG60-themed learning journeys were also curated to encourage children to explore Singapore and its heritage.

Among the 63 preschools with a higher concentration of low-income families, K2 children participated in specially curated learning journeys. These included visits to Madame Tussauds Singapore to learn about Singapore's history, the Flower Dome at Gardens by the Bay, and theatre experiences at the Esplanade.

Through these experiences, children gained meaningful exposure to Singapore's heritage beyond the classroom.





Headstart Fund (HSF) Programme – Parent-Child Bonding

At PCF, we recognise the importance of strong parent–child relationships in supporting early childhood development. Parent–child bonding activities under the HSF are organised by PCF branches to create meaningful and memorable shared experiences. These interactions help strengthen family connections, which are essential to a child's growth and emotional well-being.

In FY2025, over 15,000 children and their families participated in 24 PCF parent–child bonding events.



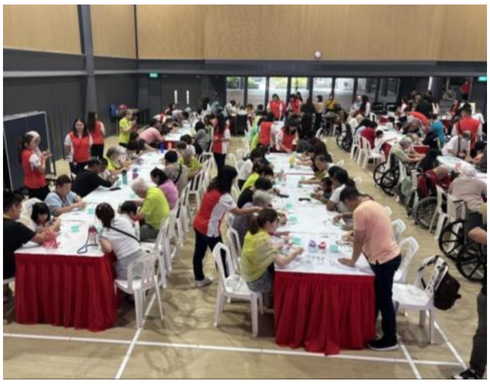

Headstart Fund (HSF) Programme – Intergenerational Bonding

Intergenerational bonding between seniors and preschoolers creates meaningful connections that benefit both groups. Seniors share their experiences and stories, while children bring energy, curiosity, and joy.

These interactions foster empathy, patience, and social skills in children, while giving seniors a sense of purpose and emotional well-being. Together, they build mutual understanding, respect, and lasting memories across generations.

In FY2025, the HSF was expanded to include intergenerational bonding activities, with 10 sessions organised for 757 children, including SG60 celebrations, visits to places such as Gardens by the Bay, and art sessions.





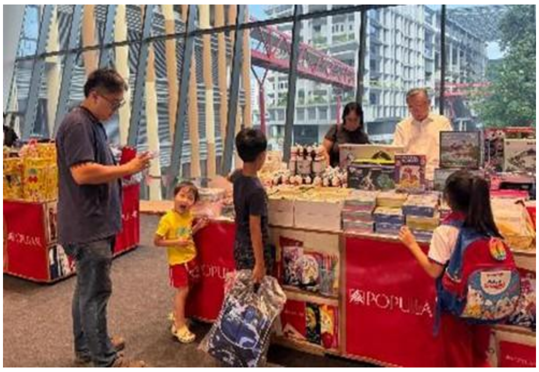

Sparkle Gift of Love

The Sparkle Gift of Love programme is an experiential initiative that supports children from low-income households with schooling materials, learning packs, and developmental tools.

In 2025, the programme supported 2,804 PCFSP children from families with a monthly household income of S$4,500 and below across 25 PCF branches. This represents a 58% increase from 1,775 children in the previous year.

Beyond meeting schooling needs, the programme also encourages independence, decision-making, and confidence in young children. Together with their parents, children are empowered to make their own choices, selecting from a range of educational, sports, and health-related items such as school bags, storybooks, stationery, water bottles, pencil cases, activity kits, hygiene essentials, and sporting equipment.

Sparkle Gift of Love is a meaningful initiative that not only meets learning needs but also supports children's personal growth and self-confidence.



PCF Spark Dreams Child Development Account (CDA) Top-Up Programme

The PCF Spark Dreams CDA Top-Up Programme supports children from low-income families by providing additional financial assistance to help them pursue their aspirations.

In FY2025, the programme was streamlined to support N2 students from households with a gross monthly income of S$6,000 and below. A total of 2,246 children received the top-up, with S$302,350 disbursed under this initiative.

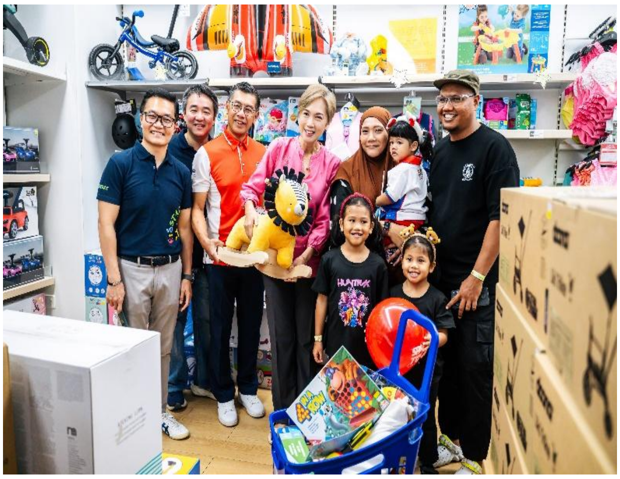
KidSTART Sparkle Homes (NEW)

The KidSTART Sparkle Homes initiative is a collaboration between the PCF Charity Division and KidSTART Singapore. It supports selected PCFSP children and their families with up to S$1,500 worth of items to create safe and nurturing home environments.

Under this initiative, PCF funds the purchases, while KidSTART practitioners identify eligible families and work with them to support their children's developmental needs.

At the launch event on 18 October 2025, 60 selected families received S$300 each to purchase child development essentials. Mrs Josephine Teo, Chairman of the PCF Council of Management Committee and Charity Management Committee, attended as the Guest-of-Honour.

In 2025, the PCF Charity Division donated a total of S$112,000 to this initiative. The programme will continue in 2026 and 2027, with the potential to benefit up to 260 children and their families.



School Readiness Pack

To support the transition to primary school, 2,009 graduating children in K2 from low-income families received School Readiness Packs comprising Popular and BATA vouchers.

These packs helped ease the financial burden and ensured that children were better prepared for the next stage of their educational journey.

Mission I'mPossible 2 (MIP2) Programme

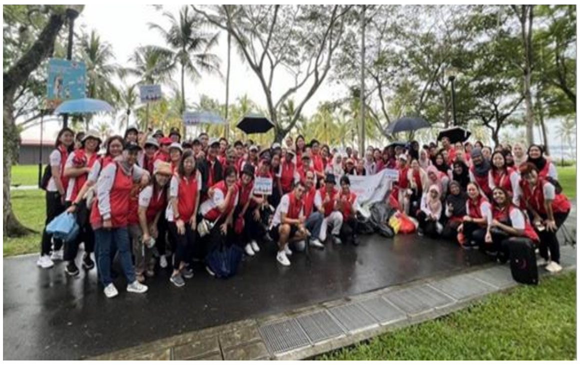
The MIP2 (Health & Social) programme supports parents from low-income households to strengthen their knowledge of health and nutrition.

In FY2025, 360 families across 16 preschools participated in the programme. Parents attended workshops, while children received bi-monthly fruit distributions to reinforce healthy habits at home.

Corporate Social Responsibility (CSR) Initiatives

On the CSR front, a total of 87 initiatives were organised by the Charity Division in FY2025, benefiting more than 10,000 individuals.

Efforts were also expanded to raise awareness of environmental sustainability. Activities included an e-waste lunchtime talk on 5 June 2025, visits to an e-waste plant, a sustainability tour at the Marina Barrage on 27 June 2025, e-waste collection drives in the month of June 2025, and beach clean-ups involving staff, children, and parents across the year.



In FY2025, the PCF Charity Division also expanded its outreach through partnerships with 15 Social Service Agencies (SSAs), enabling a wider range of volunteering activities to better serve the community.

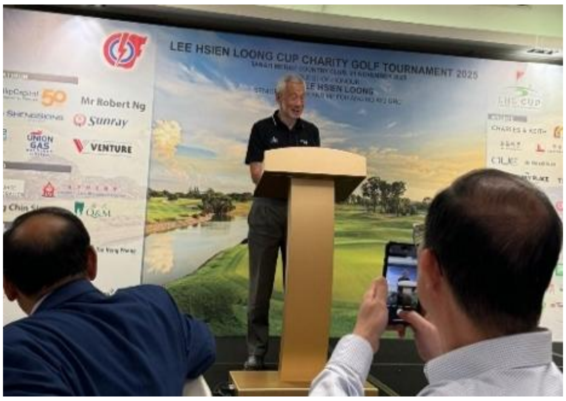
The Charity Division will continue to widen its outreach and engage new SSAs in the coming months.

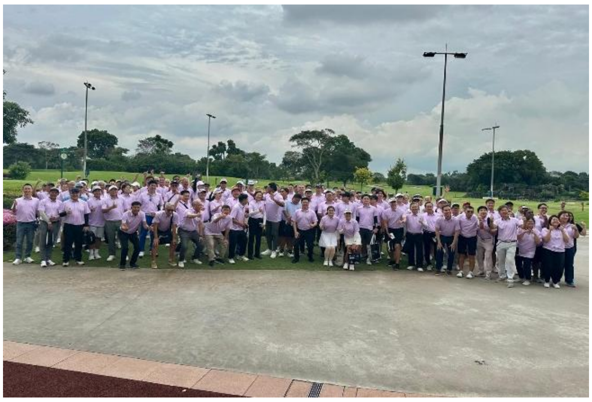
The Lee Hsien Loong Cup Charity Golf Tournament

The Lee Hsien Loong Cup Charity Golf Tournament is an annual fundraising event organised on a rotational basis by divisions within Ang Mo Kio GRC and Kebun Baru SMC.

Held on 21 November 2025 at the Tanah Merah Country Club, the event was graced by Senior Minister Mr Lee Hsien Loong as Guest-of-Honour.

The event raised approximately S$620,000 to support educational assistance for PCF students, youth development programmes, activities for seniors, and welfare support for low-income families across Ang Mo Kio GRC, Kebun Baru SMC, and Yio Chu Kang SMC.





PCF SG60 Family Day

The event brought together 4,500 participants at the Singapore EXPO for a day of family bonding activities, a parenting conference, exhibitions, and performances.

Graced by Prime Minister and Minister for Finance Mr Lawrence Wong, the event was centred on the theme “Bridging Generations, Inspiring Our Future.”

Highlights included the unveiling of a symbolic SG60 jigsaw puzzle, completed collectively by staff, parents, children, seniors, and volunteers.

PCF also presented a total donation of S$60,000 to six beneficiaries, including Blossom Seeds Limited, Bright Hill Evergreen Home, Club HEAL, Food from the Heart, Gracehaven Children’s Home, and HCSA Community Services.

Deloitte.

PAP COMMUNITY FOUNDATION
CHARITY DIVISION
(Registration No. T02CC1585L)

DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED
DECEMBER 31, 2025

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

DIRECTORS' STATEMENT

In the opinion of the directors,

(a) the financial statements of PAP Community Foundation - Charity Division (the "Charity Division") set out on pages 32 to 50 are drawn up in accordance with the provisions of the Charities Act 1994 (the "Charities Act") and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the Charity Division as at December 31, 2025, and the financial performance, changes in endowment fund and revenue reserve and cash flows of the Charity Division for the financial year ended December 31, 2025;

(b) the use of donation moneys is in accordance with the objectives of the Charity Division as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;

(c) the Charity Division has complied with Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations;

(d) the accounting and other records required by the Charities Act have been properly kept in accordance with the provisions of the Charities Act; and

(e) as at the date of this statement, there are reasonable grounds to believe that the Charity Division will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

....
Josephine Teo-Yong Li Min
Chairman

....
Yeo Wan Ling
CMC Treasurer

June 19, 2026

Deloitte.

Deloitte & Touche LLP
Unique Entity No. T08LL0721A
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

Tel: +65 6224 8288
Fax: +65 6538 6166
www.deloitte.com/sg

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PAP Community Foundation - Charity Division (the "Charity Division"), which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in endowment fund and revenue reserve and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 32 to 50.

The Charity Division is a segment of PAP Community Foundation ("the Foundation") and is not a separately incorporated legal entity. The attached financial statements have been prepared solely from the records of the Charity Division and reflect only the transactions recorded therein.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act 1994 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Charity Division as at December 31, 2025 and of the financial performance, changes in endowment fund and revenue reserve and cash flows of the Charity Division for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Charity Division in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement, the Supplementary Statement of Comprehensive Income and the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

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 Charities Act 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 Charity Division'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 Charity Division or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Charity Division's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity Division's internal control.

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

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

(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 Charity Division'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 Charity Division to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Charities Act to be kept by the Charity Division have been properly kept in accordance with the provisions of the Charities Act.

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

(a) the Charity Division has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Charity Division has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ho Kok Yong.

Public Accountants and
Chartered Accountants
Singapore

June 19, 2026

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

STATEMENT OF FINANCIAL POSITION
December 31, 2025

	Note	2025	2024
		$	$
ASSETS			
Current assets			
Cash at bank	5	15,152,566	16,581,163
Fixed deposits	6	17,151,855	16,580,543
Other receivables	7	209,074	159,292
Total current assets		32,513,495	33,320,998
Non-current asset			
Property, plant and equipment	8	138,868	155,689
Total assets		32,652,363	33,476,687
LIABILITIES, ENDOWMENT FUND AND REVENUE RESERVE			
Current liabilities			
Other payables	9	281,148	442,217
Other payables to Service Division		1,839,305	2,147,555
Total current liabilities		2,120,453	2,589,772
Endowment fund and revenue reserve			
Endowment fund	10	4,000,000	4,000,000
Headstart fund	11	5,734,252	5,733,952
Revenue reserve		20,797,658	21,152,963
Total endowment fund and revenue reserve		30,531,910	30,886,915
Total liabilities, endowment fund and revenue reserve		32,652,363	33,476,687

See accompanying notes to financial statements.

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

STATEMENT OF COMPREHENSIVE INCOME
Financial year ended December 31, 2025

	Note	From January 1, 2025 to December 31, 2025	From April 1, 2024 to December 31, 2024
		$	$
Income	12	2,615,391	3,413,574
Donation and direct charitable expenses		(1,988,013)	(2,283,310)
Fund raising expenses		(201,586)	(250,235)
Employee benefits expense	13	(134,672)	(162,455)
Depreciation expense	8	(16,821)	(12,616)
Other operating expenses	14	(499,506)	(418,787)
(Deficit)/Surplus before tax	15	(225,207)	286,171
Income tax	16	-	-
(Deficit)/Surplus for the financial year/period, representing total comprehensive income for the financial year/period		(225,207)	286,171

See accompanying notes to financial statements.

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

STATEMENT OF CHANGES IN ENDOWMENT FUND AND REVENUE RESERVE
Financial year ended December 31, 2025

	Endowment fund	Headstart fund	Revenue reserve	Total
	$	$	$	$
Balance at April 1, 2024	4,000,000	5,748,253	20,878,054	30,626,307
Movement between revenue reserve and Headstart Fund	-	(33,413)	33,413	-
Surplus for the financial period, representing total comprehensive income for the financial period	-	-	286,171	286,171
Transactions with owner recognised directly in equity:				
Transfer to the Foundation	-	-	(44,675)	(44,675)
Contribution from the Foundation	-	19,112	-	19,112
Total	-	19,112	(44,675)	(25,563)
Balance at December 31, 2024	4,000,000	5,733,952	21,152,963	30,886,915
Deficit for the financial year, representing total comprehensive income for the financial year	-	300	(225,507)	(225,207)
Transaction with owner recognised directly in equity:				
Transfer to the Foundation	-	-	(129,798)	(129,798)
Balance at December 31, 2025	4,000,000	5,734,252	20,797,658	30,531,910

See accompanying notes to financial statements.

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

STATEMENT OF CASH FLOWS
Financial year ended December 31, 2025

	From January 1, 2025 to December 31, 2025	From April 1, 2024 to December 31, 2024
	$	$
Operating activities		
(Deficit) Surplus before tax	(225,207)	286,171
Adjustments for:		
Depreciation expense	16,821	12,616
Interest income	(488,909)	(478,287)
Operating cash flows before movements in working capital	(697,295)	(179,500)
Other receivables	(49,782)	52,049
Other payables	(161,069)	86,631
Other payables to Service Division	(308,250)	1,402,532
Net cash (used in) from operating activities	(1,216,396)	1,361,712
Investing activity		
Interest received, representing net cash from investing activity	488,909	575,883
Financing activity		
Funds transfer to the Foundation (net), representing net cash used in financing activity	(129,798)	(25,563)
Net (decrease) increase in cash and cash equivalents	(857,285)	1,912,032
Cash and cash equivalents at beginning of financial year/period	33,161,706	31,249,674
Cash and cash equivalents at end of financial year/period (Note A)	32,304,421	33,161,706

Note A

Cash and cash equivalents consist of:

Cash at bank	15,152,566	16,581,163
Fixed deposits	17,151,855	16,580,543
Total	32,304,421	33,161,706

See accompanying notes to financial statements.

1 GENERAL INFORMATION

The PAP Community Foundation (the "Foundation") (Registration No. 198601011Z) was incorporated in the Republic of Singapore on May 17, 1986 as a public company limited by guarantee. Its registered office and principal place of business is at Blk 57B, New Upper Changi Road, #01-1402 PCF Building, Singapore 463057. The liability of each member of the Foundation is limited to an amount as may be required but not exceeding $100. No contribution has been made by the members since the date of incorporation. There are twelve members in the Foundation.

The Charity Division (Registration No. T02CC1585L) is a part of the Foundation and the attached financial statements have been prepared from the records of the Charity Division and reflect only the transactions recorded therein. The Service Division forms the remaining part of the Foundation and the combined financial statements are presented separately. The Service Division supports the activities of the Foundation in areas such as pre-school and senior care centres development and provide financial assistance to needy students. The Charity Management Committee (the "CMC") led by Chairman, Mrs Josephine Teo is tasked to oversee the activities of the Charity Division to ensure its objectives are met.

The financial statements are expressed in Singapore dollars, which is the Charity Division's functional currency.

On May 17, 1986, the Foundation was gazetted as an Institution of a Public Character ("IPC") and is exempted from income tax. The IPC status expired on May 16, 2001 but was extended for 5 years from May 16, 2001 to May 15, 2006. On July 23, 2002, an internal division, Charity Division was set up and was granted charity status on July 25, 2002. The IPC status was also granted to the Charity Division for a period of five years with effect from July 24, 2002 and was subsequently extended to April 23, 2028. On July 24, 2002, the Foundation voluntarily gave up its IPC status and transferred funds to the Charity Division.

Upon dissolution of the Charity Division, the remaining funds shall be distributed to other charitable organisations which are approved IPCs under Section 37(2) of the Income Tax Act and registered under the Charities Act 1994.

The principal activity of the Charity Division is to promote the welfare and interests of the citizens of Singapore and to give donations to charitable/educational or other works in Singapore and the relief of poor and needy.

The Charity Division changed its financial year end from March 31 to December 31, effective for the period ended December 31, 2024. This change was implemented to align with the Foundation and its subsidiary, PCF Sparkletots Preschool Limited (the "Group")'s business cycle. The financial statements for the period ended December 31, 2024, covered a period of 9 months, from April 1, 2024 to December 31, 2024.

The financial statements of the Charity Division for the financial year ended December 31, 2025 were authorised for issue by the Board of Directors on June 19, 2026.

1.1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Charities Act 1994 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements are expressed in Singapore dollar.

1.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current financial year, the Charity Division has applied all the new and revised FRSs that are mandatorily effective for an accounting year that begins on or after January 1, 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

1.3 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the Charity Division has not applied the following FRS pronouncements that have been issued but are not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 109 and FRS 107 *Amendments to the Classification and Measurement of Financial Instruments*	January 1, 2026
Annual Improvements to FRSs–Volume 11	January 1, 2026
FRS 118 *Presentation and Disclosure in Financial Statements*	January 1, 2027

Management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption except for the following:

<u>FRS 118 *Presentation and Disclosures in Financial Statements*</u>

FRS 118 replaces FRS 1, carrying forward many of the requirements in FRS 1 unchanged and complementing them with new requirements. In addition, some FRS 1 paragraphs have been moved to FRS 8 and FRS 107.

FRS 118 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

An entity is required to apply FRS 118 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to FRS 7 and FRS 33, as well as the revised FRS 8 and FRS 107, become effective when an entity applies FRS 118. FRS 118 requires retrospective application with specific transition provisions. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Charity Division's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the above new standard.

2 MATERIAL ACCOUNTING POLICY INFORMATION

FAIR VALUE MEASUREMENT - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Charity Division takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the statement of financial position when the Charity Division becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Charity Division recognises a loss allowance for expected credit losses (“ECL”) on other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Charity Division recognises lifetime ECL on other receivables when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Charity Division measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Charity Division compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Charity Division considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Charity Division presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Charity Division has reasonable and supportable information that demonstrates otherwise.

The Charity Division assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Charity Division regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Charity Division considers that default has occurred when a financial asset is more than 90 days past due unless the Charity Division has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Charity Division writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Charity Division’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Charity Division in accordance with the contract and all the cash flows that the Charity Division expects to receive, discounted at the original effective interest rate._

If the Charity Division has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Charity Division measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Charity Division derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Charity Division neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Charity Division recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Charity Division retains substantially all the risks and rewards of ownership of a transferred financial asset, the Charity Division continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Charity Division are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Charity Division after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Charity Division derecognises financial liabilities when, and only when, the Charity Division’s obligations are discharged, cancelled or expired.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Charity Division has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

ENDOWMENT FUND - The endowment fund forms part of a $10 million endowment fund approved by the Commissioner for Inland Revenue for the Charity Division. The fund is to be built up using past and future surpluses from the revenue reserve. There is no planned timing of use for the fund.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	3.33% to 20%
Furniture and fittings and other assets	-	20% to 33.3%
Information technology projects/computers	-	33.3%

The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Charity Division reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Charity Division estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Charity Division has a present obligation (legal or constructive) as a result of a past event, it is probable that the Charity Division will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Charity Division will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Charity Division should purchase, construct or otherwise acquire non-current assets are deducted in calculating the carrying amount of the assets and recognised in profit or loss over the life of the depreciable assets as a reduced depreciation expense.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Charity Division with no future related costs are recognised in profit or loss in the period in which they become receivable.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Charity Division recognises revenue when it transfers control of services to a customer.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Donation income

Donation income is recognised when the rights to receive such payment have been established.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Charity Division's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Charity Division are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which the Charity Division operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Charity Division's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash at bank, demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity Division's material accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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.

Critical judgments in applying the Charity Division's material accounting policies

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amount recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	2025	2024
	$	$
Financial assets		
Financial assets at amortised cost	32,512,512	33,317,128
Financial liabilities		
Financial liabilities at amortised cost	2,120,453	2,589,772

(b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The Charity Division does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

(c) *Financial risk management policies and objectives*

The Charity Division's overall financial risk management programme seeks to minimise potential adverse effects on the financial performance of the Charity Division. The Charity Division has adopted risk management policies that seek to mitigate these risks in a cost-effective manner.

There has been no significant change to the Charity Division's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign currency risk management

The Charity Division does not have any significant exposure to foreign exchange risk as it transacts mainly in Singapore dollars.

No sensitivity analysis is prepared as the Charity Division does not expect any significant effect on the Charity Division's profit or loss arising from the effects of reasonably possible changes to foreign currency exchange rates.

(ii) Interest rate risk management

The Charity Division's policy is to maintain cash and cash equivalents in fixed interest rate instruments. Interest bearing financial assets are mainly bank balances which are all short-term in nature.

No sensitivity analysis is prepared as the Charity Division does not expect any significant effect on the Charity Division's profit or loss arising from the effects of reasonably possible changes to interest rates.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Charity Division.

The Charity Division's current credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Other receivables: 12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Charity Division has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Charity Division's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit assessment	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$	$	$
December 31, 2025						
Other receivables	7	Performing	12-month ECL	208,091	-	208,091
December 31, 2024						
Other receivables	7	Performing	12-month ECL	155,422	-	155,422

The Charity Division places its cash with reputable institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses represents the Charity Division's maximum exposure to credit risk.

(iv) Liquidity risk management

The Charity Division maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

The Charity Division ensures sufficient liquidity at all times by efficient cash management and the Charity Division's ability to meet its obligations is managed by maintaining highly liquid assets in the form of time deposits.

All financial assets and financial liabilities in December 31, 2025 and December 31, 2024 are repayable on demand or due within 1 year from the end of the reporting period.

(v) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities as reported on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(d) *Capital management policies and objectives*

The Charity Division manages its capital to ensure that the Charity Division will be able to continue as a going concern.

The capital structure of the Charity Division consists of funds and reserves as presented in the statement of changes in endowment fund and revenue reserve.

The Charity Division's overall strategy remains unchanged from the previous financial year.

5 CASH AT BANK

Cash at bank bears interest at 0.4% (2024 : 0.8%) per annum.

6 FIXED DEPOSITS

Fixed deposits bear interests ranging from 1.4 % to 2.45% (2024 : 2.45% to 3.2%) per annum and are for a tenure of less than 12 months. The fixed deposits qualify as cash equivalents as they can be withdrawn at any point in time, except that the interest may be forfeited.

7 OTHER RECEIVABLES

	2025	2024
	$	$
Prepayments	983	1,496
Interest receivables	208,091	155,422
Grant receivables	-	2,374
Total	209,074	159,292

Management believes that no loss allowance for other receivables is required as there has been no significant change in credit quality and the amount of receivables are recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

8 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture and fittings and other assets	IT projects and computers	Total
	$	$	$	$
Cost:				
At April 1, 2024, December 31, 2024 and December 31, 2025	509,690	12,188	3,649	525,527
Accumulated depreciation:				
At April 1, 2024	341,385	12,188	3,649	357,222
Depreciation for the period	12,616	-	-	12,616
At December 31, 2024	354,001	12,188	3,649	369,838
Depreciation for the year	16,821	-	-	16,821
At December 31, 2025	370,822	12,188	3,649	386,659
Carrying amount:				
At December 31, 2025	138,868	-	-	138,868
At December 31, 2024	155,689	-	-	155,689

9 OTHER PAYABLES

	2025	2024
	$	$
Accruals	101,384	282,631
Accounts payable (third parties)	68,562	149,586
Others	111,202	10,000
Total	281,148	442,217

PAP COMMUNITY FOUNDATION
CHARITY DIVISION

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

10 ENDOWMENT FUND

The endowment fund is made up of $2 million Education Endowment and $2 million Health Endowment. There is no planned timing of use for the fund.

11 HEADSTART FUND

This represents the fund available to provide financial assistance to young children from lower income families.

12 INCOME

	From January 1, 2025 to December 31, 2025	From April 1, 2024 to December 31, 2024
	$	$
Donation income (tax-exempt)	1,862,790	2,559,769
Donation income (non tax-exempt)	254,222	367,770
Grant income	9,470	2,268
Interest income on fixed deposits	488,909	478,287
Others	-	5,480
Total	2,615,391	3,413,574

Donations amounting to $154,598 (2024 : $45,275) was received by the Charity Division for the Senior Care and Aged Care Centres. This donation was subsequently transferred to the Senior Care Centre and Aged Care Centre managed by the Service Division for the purpose of submission of request for matching grant from Community Service Trust (“CST”) managed by the Agency of Integrated Care (Ministry of Health).

13 EMPLOYEE BENEFITS EXPENSE

	From January 1, 2025 to December 31, 2025	From April 1, 2024 to December 31, 2024
	$	$
Employee benefits expense include the following:		
Costs of defined contribution plans	11,528	18,899

14 OTHER OPERATING EXPENSES

	From January 1, 2025 to December 31, 2025	From April 1, 2024 to December 31, 2024
	$	$
Floral/Gifts	19,193	14,025
Functions and activities	108,261	133,090
Insurance	1,129	755
Refreshment	-	18,997
Repair/Maintenance	359,915	243,039
Others	11,008	8,881
Total	499,506	418,787

15 DEFICIT/ SURPLUS BEFORE TAX

The remuneration of key management personnel is paid by the Foundation.

16 INCOME TAX

The Charity Division is a registered charity under the Charities Act 1994. Subject to compliance with certain conditions of the Income Tax Act 1947, the Charity Division is exempt from income tax.

17 CORPORATE SOCIAL RESPONSIBILITIES PROGRAMME

In connection with PAP Community Foundation's corporate social responsibilities ("CSR") programmes, the Foundation has committed to contribute at least 10% of its surplus each year.

The Charity Division has been tasked to manage the CSR programmes which includes the Headstart Fund. In the current reporting period, $888,624 (2024 : $3,111,245) of financial assistance has been disbursed as part of the Foundation's CSR programmes and commitment.

18 COMPARATIVE PERIOD

The financial statements for the year ended December 31, 2025 covered the twelve months from January 1, 2025 to December 31, 2025.

The financial statements for the period ended December 31, 2024 covered the period of nine months, from April 1, 2024 to December 31, 2024.