

**WE CARE COMMUNITY SERVICES  
LIMITED**

[Co. Reg. No. 200506089N]  
[IPC No. IPC000022]

[a company limited by guarantee and not  
having a share capital]

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2011**

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**Fiducia LLP**

Certified Public Accountants  
Singapore

1 Goldhill Plaza, #03-35  
Podium Block, Singapore 308899.  
T: (65) 6846.8376  
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## **DIRECTORS' REPORT**

The directors present their report to the members together with the audited financial statements for the financial year ended 31 December 2011.

### **Directors**

The directors in office at the date of this report are as follows:

Dr. Winslow Rasaiah Munidasa  
Elias Harry @ Harry Elias Jonah  
Desmond Lum Siew Khuen  
Lim Yun Chin @ Lim Yoon Chia  
Cheang Chin Neo Alias Frances Cheang  
Maria Eugenia Gajardo Olivera  
Chong Kwang Shih

(Appointed on 2 August 2011)

### **Arrangements to enable directors to acquire shares and/or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **Directors' contractual benefits**

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

### **Other matters**

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

### **Auditors**

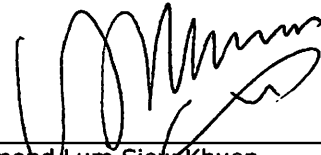
The auditors, Messrs. Fiducia LLP, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the directors,



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Cheang Chin Neo Alias Frances Cheang  
Director



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Desmond Lum Siew Khuen  
Director

Singapore, **31 MAY 2012**

**STATEMENT BY DIRECTORS**

In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 21 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 December 2011, and of the results of financial activities and changes in equity and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on

**3 1 MAY 2012**

On behalf of the directors,



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Cheang Chin Neo Alias Frances Cheang  
Director



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Desmond Lunn Siew Khuen  
Director

Singapore,

**3 1 MAY 2012**

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## Fiducia LLP

Certified Public Accountants, Singapore

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Independent auditors' report to the members of:

### **WE CARE COMMUNITY SERVICES LIMITED**

[Co. Reg. No. 200506089N]  
[IPC No. IPC000022]  
[a company limited by guarantee and not having a share capital]

We have audited the financial statements of **WE CARE COMMUNITY SERVICES LIMITED** set out on pages 6 to 21, which comprise the statement of financial position as at 31 December 2011, the statement of financial activities, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position 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 as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 and fair presentation of the financial statements 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Fiducia LLP

Certified Public Accountants, Singapore

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(CONT'D)

Independent auditors' report to the members of:

### **WE CARE COMMUNITY SERVICES LIMITED**

[Co. Reg. No. 200506089N]  
[IPC No. IPC000022]  
[a company limited by guarantee and not having a share capital]

#### *Opinion*

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2011, and the results, changes in equity and cash flows of the Company for the financial period ended on that date.

#### *Report on other Legal and Regulatory Requirements*

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

During the course of our audit, nothing has come to our attention that 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.

A handwritten signature in black ink that reads "Fiducia" followed by a long horizontal line that ends in an arrowhead, and the letters "UP" written below the line.

**Fiducia LLP**  
Certified Public Accountants

Singapore,      **31 MAY 2012**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	Note	2011 Unrestricted General Fund S\$	2010 Unrestricted General Fund S\$
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generating funds</b>			
Voluntary income			
Donations	4	212,391	215,873
Grants		238,872	132,428
Gala Dinner	5	128,627	0
<b>Incoming resources from charitable activities</b>			
Counselling fees		27,845	24,954
Recovery groups contributions		11,331	9,518
Sale of books and merchandise		480	2,095
Training fees		5,618	15,736
<b>Other incoming resources</b>		<b>5,290</b>	<b>2,962</b>
<b>TOTAL INCOMING RESOURCES</b>		<b>630,454</b>	<b>403,566</b>
<b>RESOURCES EXPENDED</b>			
<b>Cost of charitable activities</b>			
Events/activities expenses		6,772	2,472
Honorarium		13,560	11,631
Lease of equipment		4,021	289
Rental of premises		113,267	72,032
Sale of books and merchandise		0	2,906
Sponsorships and donations		0	4,500
Staff costs	6	213,941	191,704
Training and seminar costs		7,817	9,087
Gala dinner		10,879	0
		<b>370,257</b>	<b>294,621</b>
<b>Governance &amp; other costs</b>			
Audit fee - current year		1,800	1,800
Audit fee - prior year		0	600
Bank charges		414	134
Depreciation		7,297	6,726
General expenses		659	1,396
Insurance		3,574	3,827
IT maintenance		618	1,889
Licence fees		157	1,126
Medical expenses		470	302
Office cleaning & maintenance		3,228	3,151
Office refreshments		947	366
Other receivables written off		750	0
Postage and courier		210	212
Printing and stationery		3,260	3,377
Professional fees		24,034	31,400
Repairs and maintenance		430	820
Staff costs	6	92,704	85,282
Subscription		250	0
Telecommunication		1,696	1,230
Transport and travelling		3,915	1,321
Utilities		8,967	14,638
Volunteers expenses		0	757
Website maintenance		1,266	4,387
		<b>156,646</b>	<b>164,741</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>(526,903)</b>	<b>(459,362)</b>
(Deficit)/Surplus for the year		103,551	(55,796)
Total funds brought forward		95,722	151,518
Total funds carried forward		199,273	95,722

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

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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011**

	Note	2011 S\$	2010 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	8	185,015	96,833
Other receivables	9	<u>26,176</u>	<u>42,602</u>
		<u>211,191</u>	<u>139,435</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	6,657	11,908
		<u>217,848</u>	<u>151,343</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables and accruals	11	<u>18,575</u>	<u>55,621</u>
<b>NET ASSETS</b>			
		<u>199,273</u>	<u>95,722</u>
<b>FUNDS</b>			
<u>Unrestricted fund</u>			
General fund		<u>199,273</u>	<u>95,722</u>

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

**STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	Balances brought forward S\$	(Deficit)/ Surplus for the year S\$	Balance at end of year S\$
<u>2011</u> <b>Unrestricted fund</b> General Fund	<u>95,722</u>	<u>103,551</u>	<u>199,273</u>
<u>2010</u> <b>Unrestricted fund</b> General Fund	<u>151,518</u>	<u>(55,796)</u>	<u>95,722</u>

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



**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	Note	2011 S\$	2010 S\$
<b>Cash flows from operating activities</b>			
Net (deficit)/surplus		103,551	(55,796)
Adjustments for:			
- Depreciation	10	<u>7,297</u>	<u>6,726</u>
Operating cash flow before working capital changes		110,848	(49,070)
Changes in working capital			
- Other receivables		16,426	36,193
- Other payables and accruals		<u>(37,046)</u>	<u>26,953</u>
<b>Net cash provided by operating activities</b>		<u>90,228</u>	<u>14,076</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	10	<u>(2,046)</u>	<u>(15,879)</u>
<b>Net cash (used in) investing activities</b>		<u>(2,046)</u>	<u>(15,879)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		88,182	(1,803)
Cash and cash equivalents at beginning of financial year		96,833	98,636
Cash and cash equivalents at end of financial year	8	<u>185,015</u>	<u>96,833</u>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand		500	500
Cash at bank		<u>184,515</u>	<u>96,333</u>
	8	<u>185,015</u>	<u>96,833</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

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

### **1. General information**

The Company was incorporated on 05 May 2005. It is a company limited by guarantee whereby each member of the company undertakes to meet the debts and liabilities of the Company, in event of its liquidation, to an amount not exceeding S\$100 per member. As at 31 December 2011, the Company has 7 members (2010: 5 members).

It is a charity registered under the Charities Act (Chapter 37) since 22 June 2005. The Company has been accorded an Institution of Public Character ('IPC') status for the period from 01 July 2009 to 30 September 2012.

The address of the Company's registered office is at 11 Kampong Bugis, 02-08 Singapore Police Force, Singapore 338988.

The principal activities of the Company are:

- To provide advocacy for people in recovery from addictions and mental wellness issues to advocate for services and facilities for self-help programmes for Addictions and Mental Wellness and to support and collaborate with relevant organisations and individuals in such programmes;
- To develop focused and specialized (gap areas) programmes for treatment of those with mental wellness and addictions issues; example, prevention programmes, school based programmes and programmes for families of those affected by addictions;
- To develop world standard addictions and wellness skills training, education courses and conferences, and
- To enhance understanding of addictions and mental wellness issues.

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

### **2. Significant accounting policies**

#### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

## 2. Significant accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### Interpretations and amendments to published standards effective in 2011

The Company has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Company:

<b>FRS</b>	<b>Effective Date</b>	<b>Title</b>
FRS 1	1.1.2009	Presentation of financial statements
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 16	1.1.2009	Property, plant and equipment
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2009	Employee benefits
FRS 21	1.1.2006	The effect of changes in foreign exchange rates
FRS 24	1.1.2011	Related party disclosures
FRS 32	1.2.2007	Financial instruments : Presentation
FRS 32	1.2.2009	Financial instruments : Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: recognition and measurement
FRS 107	1.1.2009	Financial instruments: Disclosures

The adoption of the above revised FRS did not result in any substantial changes to the Company's accounting policies.

### 2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities. Revenue is recognised as follows:

#### 2.2.1 Donations

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

#### 2.2.2 Grants

Grants are recognized at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

#### 2.2.3 Rendering of services

Revenue from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

## **2. Significant accounting policies (Cont'd)**

### **2.2 Revenue recognition (Cont'd)**

#### **2.2.4 Sales of books and merchandise**

Revenue from the sale of books and merchandise is recognized when the Company has delivered the products to the customers, the customer has accepted the products and the collectibility of the related receivables are reasonably assured.

#### **2.2.5 Jobs credit scheme**

The Jobs credit scheme is government's cash grants paid to employers to help them preserve jobs. The grant is recognised on receipt basis.

### **2.3 Property, plant and equipment**

#### **2.3.1 Measurement**

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### **2.3.2 Depreciation**

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful Life
Computers	3 years
Furniture and fittings	3 years
Office equipment	3 years
Renovation	3 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

#### **2.3.3 Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

#### **2.3.4 Disposal**

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

## **2. Significant accounting policies (Cont'd)**

### **2.4 Impairment of non-financial assets**

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

### **2.5 Financial assets**

#### **2.5.1 Classification**

The Company 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 "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

#### **2.5.2 Recognition and derecognition**

Purchases and sales of financial assets, available-for-sale, are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

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

On sale of a financial asset classified as available-for-sale, the difference between the net sale proceeds and its carrying amount is taken to the statement of financial activities. Any amount in the fair value reserve relating to that asset is also taken to the statement of financial activities.

## **2. Significant accounting policies (Cont'd)**

### **2.5.3 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. Financial assets, available-for-sale, are subsequently carried at fair value.

Changes in the fair value of financial assets classified as available-for-sale are recognised in the fair value reserve within equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity are included in the statement of financial activities.

### **2.5.4 Impairment**

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

#### Loans and receivables

An allowance for impairment of loans and receivables including trade and other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Administrative expenses".

## **2.6 Fair value estimation of financial assets and liabilities**

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

## **2.7 Operating 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 recognised as an expense in the period in which termination takes place.

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

## **2. Significant accounting policies (Cont'd)**

### **2.8 Trade and other payables**

Trade and other payables are initially recognised at fair value, and subsequently carried at amortized cost, using the effective interest method.

### **2.9 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Company 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 Employee compensation**

#### **a) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

#### **b) Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

### **2.11 Currency translation**

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities. Non-monetary items, such as equity investments classified as available-for-sale that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve within equity.

### **2.12 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions.

### **2.13 Related parties**

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

**3. Critical accounting estimates, assumptions and judgments**

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.

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end, 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 Company reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates 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.

*Estimated useful lives of property, plant and equipment*

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

**4. Voluntary income - Donations**

	2011 S\$	2010 S\$
Tax exempt donations	120,790	213,640
Non-tax exempt donations	91,601	2,233
	<u>212,391</u>	<u>215,873</u>

**5. Gala dinner - Donations**

	2011 S\$	2010 S\$
Tax exempt donations	91,127	0
Non-tax exempt donations	37,500	0
	<u>128,627</u>	<u>0</u>



**6. Staff costs**

Included in the expenses expended are the following staff costs:

	2011 S\$	2010 S\$
CPF and SDF contributions	31,116	21,973
Salaries and bonus	274,412	246,129
Staff welfare	1,117	8,884
	<u>306,645</u>	<u>276,986</u>

	2011 S\$	2010 S\$
The staff costs were allocated as follows:		
• Costs of charitable activities	213,941	191,704
• Administration	92,704	85,282
	<u>306,645</u>	<u>276,986</u>

**7. Income tax**

The company is a charity registered under the Charities Act since 22 June 2005. Consequently, the income of the Society is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

**8. Cash and bank balances**

	2011 S\$	2010 S\$
Cash on hand	500	500
Cash at bank	184,515	96,333
	<u>185,015</u>	<u>96,833</u>

At as the financial year end, the carrying amounts of cash and bank balances approximated their fair values.

**9. Other receivables**

	2011 S\$	2010 S\$
Deposits	24,595	31,425
Other receivables	0	1,194
Prepayment	1,581	9,983
	<u>26,176</u>	<u>42,602</u>

At as the financial year end, the carrying amounts of other receivables approximated their fair values.

**10. Property, plant and equipment**

	Computers S\$	Furniture & fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
<b>2011 Cost</b>					
Beginning of financial year	11,871	5,373	15,842	9,452	42,538
Additions	0	1,416	0	630	2,046
Disposals	0	0	0	0	0
End of financial year	<u>11,871</u>	<u>6,789</u>	<u>15,842</u>	<u>10,082</u>	<u>44,584</u>

**Accumulated depreciation**

Beginning of financial year	10,626	2,321	14,532	3,151	30,630
Depreciation charge	1,105	2,152	680	3,360	7,297
Written off	0	0	0	0	0
End of financial year	<u>11,731</u>	<u>4,473</u>	<u>15,212</u>	<u>6,511</u>	<u>37,927</u>

**Net book value at end of  
financial year**

	<u>140</u>	<u>2,316</u>	<u>630</u>	<u>3,571</u>	<u>6,657</u>
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	Computers S\$	Furniture & fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
<b>2010 Cost</b>					
Beginning of financial year	11,451	1,256	14,190	0	26,897
Additions	420	4,117	1,890	9,452	15,879
Disposals	0	0	(238)	0	(238)
End of financial year	<u>11,871</u>	<u>5,373</u>	<u>15,842</u>	<u>9,452</u>	<u>42,538</u>

**Accumulated depreciation**

Beginning of financial year	9,522	530	14,090	0	24,142
Depreciation charge	1,104	1,791	680	3,151	6,726
Written off	0	0	(238)	0	(238)
End of financial year	<u>10,626</u>	<u>2,321</u>	<u>14,532</u>	<u>3,151</u>	<u>30,630</u>

**Net book value at end of  
financial year**

	<u>1,245</u>	<u>3,052</u>	<u>1,310</u>	<u>6,301</u>	<u>11,908</u>
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**11. Other payables and accruals**

	2011 S\$	2010 S\$
Accruals	1,800	30,657
Advances received	0	1,170
CPF payables	15,975	14,304
Other payables	0	9,490
Fund held in trust	800	0
	<u>18,575</u>	<u>55,621</u>

At the statement of financial position date, the carrying amounts of other payables and accruals approximated their fair values.

**12. Related party transaction**

(a) The following transactions took place between the Company and related parties during the financial year at terms agreed between the parties:

	2011 S\$	2010 S\$
Professional fees paid to a company in which one of the director has substantial financial interest	<u>0</u>	<u>72</u>

(b) The remuneration of key management personnel during the financial year was as follows:

	2011 S\$	2010 S\$
Short-term benefits	<u>96,267</u>	<u>140,538</u>
	No. of key management personnel	No. of key management personnel
Remuneration band (S\$)		
S\$50,000 to S\$100,000	1	2
Below S\$50,000	<u>1</u>	<u>0</u>

The remuneration of key management personnel is determined by the Board of Directors.

**13. Commitments**

The Company has entered into certain non-cancellable operating lease agreements with non-related parties. The lease terms ranges from 1 to 2.5 years with no escalation clauses.

	2011 S\$	2010 S\$
Within one year	110,167	110,167
Later than one year but not more than five years	<u>64,264</u>	<u>174,431</u>
	<u>174,431</u>	<u>284,598</u>

**14. Financial risk management**

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the directors of the Company on an informal basis.

Credit risk

The Company has credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis with the objective of limiting its credit exposure. The Company has no significant concentrations of credit risk.

Liquidity risk

The Company adopts prudent liquidity risk management by maintaining a level of cash and cash equivalents deemed adequate by management to finance its operations and to mitigate the effects of fluctuations in cash flow.

Interest rate risk

The Company's revenue and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the statement of financial position date.

Currency risk

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

**Fair values**

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

**15. Reserve position and policy**

The Company's reserve position for financial year ended 31 December 2011 is as follows:

		2011	2010	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	200	96	108
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	N/A
	Restricted Funds	N/A	N/A	N/A
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	200	96	108
E	Total Annual Operating Expenditure	527	459	15
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.38	0.21	

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 Company's Reserve Policy is as follows:

*The Company's Memorandum of Association provides that income and property of the Company shall be applied solely towards the objects of the Company and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to the members of the Company.*

*In the event of the Company being dissolved, all debts and liabilities legally incurred on behalf of the Company shall be fully discharged and the remaining funds shall not be paid or distributed among the members of the Company but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Company with the prohibitions or distribution of its or their income or property to an extent at least as great as is imposed on the Company. Such institution or institutions shall be determined by the members of the Company at or before the time of dissolution, and if not, then in some charitable object.*

**16. Authorisation of financial statements**

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of the Company on

**31 MAY 2012**