ROTARY FAMILY SERVICE CENTRE
(A DIVISION OF FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD)

UEN: 199300813R

ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

Contents	**Pages**

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

In our opinion:

the accompanying statement of financial position, statement of comprehensive income, statement of changes in head office account and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the assets used in, and liabilities arising out of, the Rotary Family Service Centre's (Centre) operations as at 30 June 2013 and of the results of the Centre's operations, changes in head office account and cash flows of the Centre for the financial year ended on that date.

On behalf of the board of directors:

...
Tan Kok Hiang Henry
Chairman

...
Li Guang Sheng
Honorary Treasurer

Singapore,

INDEPENDENT AUDITOR'S REPORT TO THE FOUNDATION'S MANAGEMENT OF ROTARY FAMILY SERVICE CENTRE (A DIVISION OF FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Rotary Family Service Centre, (the "Centre"). These financial statements comprise the statement of financial position as at 30 June 2013, statement of comprehensive income, statement of changes in head office account and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

The Centre is a division of Foundation of Rotary Clubs (Singapore) Ltd and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Centre and reflect only transactions recorded by the Centre.

Management's Responsibility for the Financial Statements

The Centre's 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, Chapter 37, and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the Centre are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the assets used in, and liabilities arising out of, the Centre's operations as at 30 June 2013 and the results, changes in head office account and cash flows from such operations for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion,

(a) the accounting and other records required by the Act and the regulations enacted under the Charities Act, Chapter 37 to be kept by the Centre have been properly kept in accordance with those regulations.

(b) as there were no fund raising events held during the financial year ended 30 June 2013, the requirements of the Charities (Institution of a Public Character) Regulations on fund-raising does not apply in this instance.

During the course of our audit, nothing has come to our attention that causes us to believe that the use of the donation monies was not in accordance with the objectives of the Centre as required under Regulation 16 of the Charities (Institution of a Public Character) Regulations.

PARKER RANDALL
Public Accountants and
Chartered Accountants

Singapore,

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013	2012
		$	$
ASSETS			
Non-current asset			
Plant and equipment	4	49,759	15,349
Current assets			
Receivables	5	203,032	2,754
Prepayments		1,161	3,427
Cash and cash equivalents	6	597,015	273,002
Total current assets		801,208	279,183
Total assets		850,967	294,532
LIABILITIES			
Current liabilities			
Programme funds	7	53,614	40,716
Payables	8	37,885	45,630
Total current liabilities		91,499	86,346
Net assets		**759,468**	**208,186**
ACCUMULATED FUNDS			
Amounts due from head office		-	(1,317,384)
Retained earnings		759,468	1,525,570
Total		**759,468**	**208,186**

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		$	$
INCOME			
Donations and grants	9	1,434,790	817,826
Income from activities	10	3,288	19,991
Other income	11	20,994	5,178
Total income		1,459,072	842,995
COSTS AND EXPENSES			
Depreciation	4	11,175	7,035
Finance costs		618	556
Governance cost	12	14,597	28,310
Staff costs	13	781,645	707,957
Other operating expenses	14	99,755	115,067
Total costs and expenses		907,790	858,925
PROFIT/(LOSS) BEFORE TAX		**551,282**	**(15,930)**
INCOME TAX EXPENSE	15	-	-
PROFIT/(LOSS) REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		**551,282**	**(15,930)**

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

STATEMENT OF CHANGES IN HEAD OFFICE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Amounts due from head office	Retained earnings generated by the Centre	Total
	$	$	$
2013			
Balance at beginning of financial year	(1,317,384)	1,525,570	208,186
Reclassification as per National Council of Social Service	1,317,384	(1,317,384)	-
Total comprehensive income for the financial year	-	551,282	551,282
	-	759,468	759,468
2012			
Balance at beginning of financial year	(1,278,903)	1,541,500	262,597
Net fund transferred to head office	(38,481)	-	(38,481)
Total comprehensive loss for the financial year	-	(15,930)	(15,930)
Balance at end of financial year	(1,317,384)	1,525,570	208,186

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		551,282	(15,930)
Adjustments for:			
Depreciation	4	11,175	7,035
Interest income	11	(124)	(131)
Loss on disposal of plant and equipment		309	-
Operating profit/(loss) before changes in working capital		562,642	(9,026)
Changes in working capital:			
Receivables		(200,278)	(36,881)
Prepayments		2,266	4,286
Payables		(7,745)	16,988
Cash flows from/(used in) operations		356,885	(24,633)
Interest received		124	131
Net cash flows from/(used in) operating activities		357,009	(24,502)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	4	(45,894)	(7,695)
Cash flows used in investing activities		(45,894)	(7,695)
CASH FLOWS FROM FINANCING ACTIVITIES			
Programme funds		12,898	7,400
Cash flows from financing activities		12,898	7,400
Net changes in cash and cash equivalents		324,013	(24,797)
Cash and cash equivalents at beginning of financial year		273,002	297,799
Cash and cash equivalents at end of financial year	6	**597,015**	**273,002**

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on __________________.

1. DOMICILE AND ACTIVITIES

Rotary Family Service Centre (the "Centre") is a division of the Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation") which is registered in the Republic of Singapore under the Charities Act, Chapter 37 (UEN: 199300813R). The Foundation has its registered office at:

346 Clementi Ave 5
#01-10
Singapore 120346

The principal activities of the Foundation are that of a voluntary welfare organisation.

Rotary Family Service Centre (the "Centre")

The administration office and principal place of operation of the Centre is located at:

346 Clementi Ave 5
#01-10
Singapore 120346

The Centre provides family-oriented programmes which are responsive to the changing needs of the community.

There have been no significant changes in the activities of the Centre during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Centre have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Singapore dollars (SGD or $) and all values are rounded to the nearest dollar as indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Centre has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 July 2012. The adoption of these standards did not have any effect on the financial performance or position of the Centre.

2.3 Standards issued but not yet effective

The Centre has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurements	1 January 2013
Amendments to FRS 107 Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	
- Amendments to FRS 1 Presentation of Financial Statements	1 January 2013
- Amendments to FRS 16 Property, Plant and Equipment	1 January 2013
- Amendments to FRS 32 Financial Instruments: Presentation	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investment in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interest in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for the Amendments to FRS 1, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 is described below:

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income (OCI)* is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to statement of comprehensive income at a future point in time would be presented separately from items which will never be reclassified. As the amendments only affect the presentations of items that are already recognised in OCI, the Centre does not expect any impact on its financial position or performance upon adoption of this standard.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced in intervals, the Centre recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of comprehensive income as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Renovation 10 years
- Office equipment 5 years
- Computers 3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in statement of comprehensive income in the year the asset is derecognised.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of non-financial assets

The Centre assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Centre makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Centre bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Centre's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Centre estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of comprehensive income unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument. The Centre determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through statement of comprehensive income, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of comprehensive income.

2.8 Impairment of financial assets

The Centre assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Centre first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Centre determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Centre considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument. The Centre determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through statement of comprehensive income, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

2.10 Provisions

General

Provisions are recognised when the Centre has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Provisions (continued)

General (continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

2.12 Employee benefits

Defined contribution plans

The Centre participates in the national pension schemes as defined by the laws of the country in which it has operations. In particular, the Centre makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.13 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Centre and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Centre assesses its revenue arrangements to determine if it is acting as principal or agent. The Centre has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from services rendered is recognised when services are performed.

Interest income

Interest income is recognised using the effective interest method.

2.15 Related parties

A related party is defined as follows:

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

(i) Has control or joint control over the Centre;

(ii) Has significant influence over the Centre; or

(iii) Is a member of the key management personnel of the Centre or of a parent of the Centre.

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

(i) The entity and the Centre are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Related parties (continued)

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

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Centre or an entity related to the Centre. If the Centre is itself such a plan, the sponsoring employers are also related to the Centre;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Centre's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

Operating lease commitments – as lessor

The Centre has entered into commercial property leases on its investment properties. The Centre has determined, based on an evaluation of the terms and conditions of the arrangement, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Key sources of estimation uncertainty

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

Useful lives of plant and equipment

The cost of plant and equipment is depreciated on straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Centre's plant and equipment at the statement of financial position date is disclosed in Note 4 to the financial statements.

Impairment of non-financial assets

The Centre assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or the cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of loans and receivables

The Centre assesses at each statement of financial position date whether there is any objective evidence that a financial asset under loans and receivables is impaired. To determine whether there is objective evidence of impairment, the Centre considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

4. PLANT AND EQUIPMENT

2013

	Renovation	**Office equipment**	**Computers**	**Total**
	$	$	$	$
Cost				
At beginning of financial year	337,766	53,405	56,363	447,534
Additions	-	26,620	19,274	45,894
Disposals	-	-	(3,079)	(3,079)
At end of financial year	337,766	80,025	72,558	490,349
Accumulated depreciation				
At beginning of financial year	335,650	48,655	47,880	432,185
Charge for the financial year	225	2,132	8,818	11,175
Disposals	-	-	(2,770)	(2,770)
At end of financial year	335,875	50,787	53,928	440,590
Net carrying amount				
At end of financial year	1,891	29,238	18,630	49,759

2012

	Renovation	**Office equipment**	**Computers**	**Total**
	$	$	$	$
Cost				
At beginning of financial year	335,519	49,562	54,758	439,839
Additions	2,247	3,843	1,605	7,695
At end of financial year	337,766	53,405	56,363	447,534
Accumulated depreciation				
At beginning of financial year	335,519	47,066	42,565	425,150
Charge for the financial year	131	1,589	5,315	7,035
At end of financial year	335,650	48,655	47,880	432,185
Net carrying amount				
At end of financial year	2,116	4,750	8,483	15,349

5. RECEIVABLES

	2013	2012
	$	$
Deposit	4,294	2,754
Government grant receivable from Ministry of Community Development, Youth and Sports	183,535	-
Amount due from head office	15,203	-
	203,032	2,754

Receivables are denominated in Singapore dollars.

The carrying amounts of receivables approximate their fair values.

6. CASH AND CASH EQUIVALENTS

	2013	2012
	$	$
Cash on hand	3,534	1,904
Cash at banks	593,481	271,098
	597,015	273,002

Cash and cash equivalents are denominated in Singapore dollars.

The carrying amounts of cash and cash equivalents approximate their fair values.

7. PROGRAMME FUNDS

2013	1-July 2012	Funds received	Expenses disbursed	Write-back	30-June 2013
	$	$	$	$	$
PROGRAMMES					
Food Rations	491	-	-	(491)	-
Children in Need Fund	6,720	-	-	(6,720)	-
Emergency Relief Fund	1,077	-	(554)	-	523
Singapore Hardship Fund	1,210	-	-	(1,210)	-
Lee Foundation - Financial Assistance	21,150	30,010	(39,380)	-	11,780
School Pocket Money Fund	10,068	121,807	(100,215)	-	31,660
Toh Kian Chui Foundation	-	16,800	(14,400)	-	2,400
Family Service Centre Comcare Fund	-	13,533	(6,282)	-	7,251
	40,716	182,150	(160,831)	(8,421)	53,614

7. PROGRAMME FUNDS (CONTINUED)

2012	**1-July 2011**	**Funds received**	**Expenses disbursed**	**30-June 2012**
	$	$	$	$
PROGRAMMES				
Food Rations	491	-	-	491
Children in Need Fund	6,720	-	-	6,720
Emergency Relief Fund	1,815	-	(738)	1,077
Sunshine Hardship Fund	2,690	-	(1,480)	1,210
Lee Foundation - Financial Assistance	7,750	72,630	(59,230)	21,150
School Pocket Money Fund	13,850	76,268	(80,050)	10,068
	33,316	148,898	(141,498)	40,716

8. PAYABLES

	2013	**2012**
	$	$
Voluntary Welfare Organisations (VWOs) - charity capability fund consultancy grant (advance received)	8,000	11,200
Accrued expenses	29,885	34,430
	37,885	45,630

Payables are denominated in Singapore dollars.

The carrying amounts of payables approximate their fair values.

9. DONATIONS AND GRANTS

	2013	2012
	$	$
Grants from Ministry of Community Development, Youth and Sports	734,172	421,106
Grants from National Council of Social Service	224,851	132,050
Grants from Singapore Totalisator Board	465,053	264,670
Grant from Foundation of Rotary Club (head office)	10,714	-
	1,434,790	817,826

10. INCOME FROM ACTIVITIES

	2013	2012
	$	$
Counselling services	3,260	6,340
Programme fees	28	13,651
	3,288	19,991

11. OTHER INCOME

	2013	2012
	$	$
Interest income	124	131
Writeback of programme funds	8,421	-
Other income	1,897	3,247
Sponsored project fund	2,072	-
Voluntary welfare organisations - charities capability fund	8,480	1,800
	20,994	5,178

12. GOVERNANCE COST

	2013	2012
	$	$
Accountancy fees	1,146	15,243
Audit fees		
- statutory	5,000	1,717
- other services	3,560	-
Payroll services	2,416	6,000
Professional fees	2,475	5,350
	14,597	28,310

13. STAFF COSTS

	2013	2012
	$	$
Salaries and bonuses	653,148	605,176
Employer's CPF contributions	107,192	76,241
Staff insurance	7,824	13,557
Staff training	10,692	11,507
Staff welfare	2,789	1,476
	781,645	707,957

14. OTHER OPERATING EXPENSES

	2013	**2012**
	$	$
Advertisement	1,890	-
Books and periodicals	2,332	535
Cleaning expenses	11,290	8,080
Counselling expenses	2,781	691
Loss on disposal of plant and equipment	309	-
General expenses	297	4,900
General insurance	1,348	1,454
Information technology support	11,455	11,137
Maintenance and housekeeping	4,771	7,690
Medical and dental	277	989
Membership fees	-	225
Minor equipment	470	713
Office supplies	2,803	3,246
Photocopying and leasing	6,368	5,095
Postage and courier	448	959
Printing and stationery	7,606	6,559
Programme expenses	403	11,393
Rental	10,400	10,400
SOP manual project	2,400	5,600
Transportation	1,958	2,779
Telecommunications	8,353	7,157
Town council	1,397	1,323
Utility charges	20,328	22,763
Volunteer development	-	594
Website hosting and maintenance	71	785
	99,755	115,067

15. INCOME TAX

The income of the Centre, which by virtue of being a registered Charity is exempted from income tax.

16. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND FUND MANAGEMENT

a) *Categories of financial instruments*

The following tables set out the financial instruments as at the end of financial year:

2013	**Loans and receivables**	**Liabilities at amortised cost**	**Total**
Assets	$	$	$
Receivables	203,032	-	203,032
Cash and cash equivalents	597,015	-	597,015
	800,047	-	800,047
Liabilities			
Programme funds	-	53,614	53,614
Payables	-	37,885	37,885
	-	91,499	91,499
2012			
Assets			
Receivables	2,754	-	2,754
Cash and cash equivalents	273,002	-	273,002
	275,756	-	275,756
Liabilities			
Programme funds	-	40,716	40,716
Payables	-	45,630	45,630
	-	86,346	86,346

b) *Financial risk management objectives and policies*

The Management reviews and adopts policies for managing the financial risk of the Centre. Each of these risks is summarised below:

Liquidity risk

Liquidity risk refers to the risk that the Centre may have difficulty in meeting its short-term obligations.

In the management of liquidity risk, the Centre monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Centre's activities and mitigate the effects of fluctuations in cash flows. The Centre has no significant liquidity risk.

16. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND FUND MANAGEMENT (CONTINUED)

b) *Financial risk management objectives and policies (continued)*

Liquidity risk (continued)

The table below analyses the maturity profile of the financial liabilities of the Centre at the statement of financial position date on contractual undiscounted obligations:

	One year or less $
As at 30.06.13	
Programme funds	53,614
Payables	37,885
As at 30.06.12	
Programme funds	40,716
Payables	45,630

Credit risk

Credit risk is managed through debt monitoring procedures.

The carrying amount of financial assets represents the Centre's maximum exposure to credit risk.

Interest rate risk

The Centre's exposure to interest rate risk is minimal and relates primarily to the deposits placed with reputable financial institutions on short-term tenures on a fixed rate basis.

Fair values

The carrying amounts of financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

16. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND FUND MANAGEMENT (CONTINUED)

c) *Management of the Centre's Funds*

The Centre's objectives when managing funds are:

(a) to safeguard the Centre's ability to continue as a going concern; and

(b) to support the Centre's stability and growth;

The Centre actively and regularly reviews and manages its funds to ensure optimal structure taking into consideration the future fund requirements of the Centre, projected operating cash flows and projected fund expenditures.

The Centre is not subject to externally imposed fund requirements. Management monitors fund based on a gearing ratio.

The gearing ratio is calculated as total debt divided by total fund. Total debt comprises programme funds and payables. Total fund is calculated as total equity plus debt.

	2013	**2012**
	$	$
Net debt	91,499	86,346
Equity	759,468	208,186
Total capital	850,967	294,532
Gearing ratio	11%	29%