

**ROTARY FAMILY SERVICE CENTRE**  
**(A DIVISION OF FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD)**  
*(Registration Number 199300813R)*  
*(Incorporated in Singapore)*

**FINANCIAL STATEMENTS**  
*For the financial year ended 30 June 2015*

*Rotary Family Service Centre  
(A Division Of Foundation Of Rotary Clubs (Singapore) Ltd)  
(Registration Number 199906041R)  
(Incorporated in Singapore)*

**FINANCIAL STATEMENTS**  
*For the financial year ended 30 June 2015*

**Contents**

	<b>Page</b>
Statement by Directors	1
Independent Auditor's Report	2 – 3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Funds	6
Statement of Cash Flows	7
Notes to the Financial Statements	8

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

**STATEMENT BY EXECUTIVE MANAGEMENT COMMITTEE**

*For the financial year ended 30 June 2015*

---

In our opinion,

- a) the financial statements as set out on pages 4 to 24 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 30 June 2015, and of the results of the financial activities and cash flows of the Foundation for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Executive Management Committee, comprising the following, authorised the issue of these financial statements on the date below.

Chairman	Henry Tan Kok Hiang
Vice-Chairman	Yeo Chuen Eng
Honorary Secretary	Henry Lim Kim Seow
Honorary Treasurer	Li Guang Sheng
Committee Member	Rustom M. Ghadiali
Committee Member	Low Hoon-Kee
Committee Member	Lily Lim
Committee Member	Dr. Monica H. Walet
Principal Advisor	Dr. Philbert Chin Soon Siang
Chairman, Foundation of Rotary Clubs (Singapore) Ltd	Dr. Wu Dar-Ching

On behalf of the Executive Management Committee




---

Henry Tan Kok Hiang  
Chairman

Singapore,

**30 OCT 2015**



---

Li Guang Sheng  
Honorary Treasurer

23 New Industrial Road, #07-04, Solstice Business Center, Singapore 536209  
Tel: +65 6443 1638  
Fax: +65 6631 8594

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Rotary Family Service Centre (the "Centre"), set out on pages 4 to 24, which comprise the statement of financial position as at 30 June 2015, and the 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.

### *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 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 statement of comprehensive income 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 about whether the financial statements are free from material misstatement.

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

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

Continued.....

23 New Industrial Road, #07-04, Solstice Business Center, Singapore 536209  
Tel: +65 6443 1638  
Fax: +65 6631 8594

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

## **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 2015 and the results, changes in the Centre 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 2015, 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.



**Bestar Assurance PAC**  
Public Accountants and  
Chartered Accountants  
Singapore

30 OCT 2015

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

**STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2015*

	Note	<u>2015</u> S\$	<u>2014</u> S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	4	55,595	60,144
<b>Total non-current assets</b>		<u>55,595</u>	<u>60,144</u>
<b>Current assets</b>			
Other receivables	5	151,913	338,449
Cash and cash equivalents	6	1,615,660	996,799
<b>Total current assets</b>		<u>1,767,573</u>	<u>1,335,248</u>
<b>Total assets</b>		<u>1,823,168</u>	<u>1,395,392</u>
<b>Accumulated funds</b>			
<i>Restricted fund</i>			
Amount ring-fenced for exclusive use of RFSC		1,737,056	1,337,010
Programme funds	7	35,072	20,971
<b>Total</b>		<u>1,772,128</u>	<u>1,357,981</u>
<b>Current liabilities</b>			
Other payables	8	51,040	37,411
<b>Total current liabilities</b>		<u>51,040</u>	<u>37,411</u>
<b>Total liabilities</b>		<u>51,040</u>	<u>37,411</u>
<b>Total accumulated funds and liabilities</b>		<u>1,823,168</u>	<u>1,395,392</u>

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

**STATEMENT OF COMPREHENSIVE INCOME**

*For the financial year ended 30 June 2015*

	Note	<u>2015</u> S\$	<u>2014</u> S\$
<b>Income</b>			
Donations and grants	9	1,665,638	1,642,991
Income from activities	10	1,840	5,705
Other income	11	62,010	58,890
<b>Total income</b>		<u>1,729,488</u>	<u>1,707,586</u>
<b>Costs and expenses</b>			
Depreciation charges	4	19,593	17,366
Finance costs		563	555
Governance costs	12	12,952	15,329
Staff costs	13	1,182,674	983,898
Other operating expenses	14	113,660	112,896
<b>Total costs and expenses</b>		<u>1,329,442</u>	<u>1,130,044</u>
<b>Profit before tax</b>		400,046	577,542
<b>Income tax expense</b>	15	-	-
<b>Profit representing total comprehensive income for the financial year</b>		<u>400,046</u>	<u>577,542</u>

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

**STATEMENT OF CHANGES IN FUNDS**

*For the financial year ended 30 June 2015*

	<b>Balance at beginning of the year S\$</b>	<b>Net Surplus S\$</b>	<b>Balance at end of the year S\$</b>
<b><u>2015</u></b>			
<b>Restricted fund</b>			
Amount ring-fenced for exclusive use of RFSC	1,337,010	400,046	1,737,056
Programme reserves	20,971	14,101	35,072
<b>Total accumulated funds</b>	<b><u>1,357,981</u></b>	<b><u>414,147</u></b>	<b><u>1,772,128</u></b>
<b><u>2014</u></b>			
<b>Restricted fund</b>			
Amount ring-fenced for exclusive use of RFSC	759,468	577,542	1,337,010
Programme reserves	53,614	(32,643)	20,971
<b>Total accumulated funds</b>	<b><u>813,082</u></b>	<b><u>544,899</u></b>	<b><u>1,357,981</u></b>



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

**STATEMENT OF CASH FLOWS**

*For the financial year ended 30 June 2015*

	Note	<u>2015</u> S\$	<u>2014</u> S\$
<b>Cash flows from operating activities:</b>			
Net profit before income tax		400,046	577,542
Depreciation charges		19,593	17,366
Interest income		(124)	(124)
<b>Operating activities before working capital changes</b>		<u>419,515</u>	<u>594,784</u>
<b>Movements in working capital</b>			
Other receivables		186,536	(134,256)
Other payables		13,629	(474)
<b>Cash flows from operations</b>		<u>619,680</u>	<u>460,054</u>
Interest received		124	124
<b>Net cash from operating activities</b>		<u>619,804</u>	<u>460,178</u>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(15,044)	(27,751)
<b>Net cash used in investing activities</b>		<u>(15,044)</u>	<u>(27,751)</u>
<b>Cash flows from financing activities</b>			
Programme funds		14,101	(32,643)
<b>Net cash generated from / (used in) financing activities</b>		<u>14,101</u>	<u>(32,643)</u>
<b>Net increase in cash and cash equivalents</b>		618,861	399,784
<b>Cash and cash equivalents at the beginning of the year</b>		<u>996,799</u>	<u>597,015</u>
<b>Cash and cash equivalents at the end of the year (Note 6)</b>		<u>1,615,660</u>	<u>996,799</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

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

**1. General**

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.

The administration office and principal place of operation of the Centre is located at 346 Clementi Ave 5, #01-32, Singapore 120346.

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

There have been no significant changes to the Centre’s activities during the financial year.

The financial statements of the Centre for the financial year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors as stated in the Statement by Directors.

**2. Significant accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements of the Centre are presented in Singapore Dollars, which is the Centre’s functional currency and are prepared in accordance with the historical cost convention except for the accounting policies as stated below.

The accounting policies have been consistently applied by the Centre and are consistent with those used in the previous financial year.

During the financial year, the Centre has adopted all the new and revised FRSs and Interpretations of FRSs (“INT FRS”) that are relevant to its operations and effective for the current financial period. The adoption of these new / revised FRSs and INT FRSs does not result in changes to the Centre’s accounting policies and has no material effect on the amounts reported for the current period or prior periods except as disclosed in these financial statements.

The Centre has not applied the new FRSs that have been issued but are not yet effective. The Centre is in the process of making an assessment of what the impact of these new FRSs where relevant is expected to be in the period of initial application.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

---

2. Significant accounting policies (continued)

(c) Plant and equipment

(a) Measurement

(i) *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (refer to Note 2(d)).

(ii) *Component of costs*

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains / losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

(b) Depreciation

Depreciation on 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:

	<u>Useful lives</u>
Computers	3 years
Office equipment	5 years
Renovations	10 years

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Centre and the cost can be reliably measured. Other subsequent expenditure is recognized as an expense during the financial year in which it is incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

**2. Significant accounting policies (*continued*)**

**(d) Financial assets**

**(i) *Classification***

The Centre classifies its financial assets as other receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest rate method, except for short-term balances when the recognition of interest would be immaterial. They are included in current assets, except those maturing later than 12 months after the end of financial year which are classified as non-current assets. Loans and receivables are classified “other receivables” and “cash at bank and on hand” on the statement of financial position.

**(ii) *Recognition and derecognition***

Financial assets are recognised on the statement of financial position when, and only when, the Centre becomes a party to the contractual provisions of the financial instruments.

**Initial measurement**

Financial assets are initially recognized at fair value plus transaction costs.

**Subsequent measurement**

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the statement of comprehensive income.

**(iii) *Impairment of financial assets***

The Centre assesses at the end of reporting date whether there is objective evidence that a financial asset is impaired and recognises an allowance for impairment when such evidence exists.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

---

2. Significant accounting policies (continued)

(d) Financial assets (continued)

(iv) *Impairment of financial assets*

*Receivables*

The carrying amount of other receivables is reduced through the use of an allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the other receivables become uncollectible, it is written off against the allowance account. Subsequent recoveries of the amounts previously written off are recognised in the statement of comprehensive income.

The allowance for doubtful debt account is reduced through the statement of comprehensive income in a subsequent period when the amount of doubtful debt decreases and the related decrease can be objectively measured. The carrying amount of trade and other receivables previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and banks and are subject to an insignificant risk of changes in value.

(f) Financial liabilities

Financial liabilities consist of financial liabilities measured at amortised cost which are presented as “other payables” on the statement of financial position.

Financial liabilities consist of financial liabilities measured at amortised cost which are presented as “other payables” on the statement of financial position.

*Other payables*

Other payables are initially recognized at fair value, and are subsequently carried at amortised cost using the effective interest method, except for short-term balances when the recognition of interest would be immaterial.

*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 profit or loss when the liabilities are derecognised as well as through amortisation process.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

**2. Significant accounting policies (continued)**

**(f) Financial liabilities (continued)**

*De-recognition of financial liabilities*

The Centre derecognizes financial liabilities when, and only when, the Centre's obligations are discharged, cancelled or they expire.

On derecognition, the difference between the carrying amount and the sum of consideration settled is recognized in the statement of comprehensive income.

**(g) Leases**

*Operating leases*

Lease where lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

Rental payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease.

The aggregate benefit of incentives provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

**(h) Provisions**

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 a reliable estimate can be made of the amount of the obligation.

**(i) Employee benefits**

*Defined contribution plan*

Contributions to defined contribution plan are recorded as they fall due. Contributions made to government managed retirement benefit plan such as the Central Provident Fund, which specifies the employer's obligations, are dealt with as defined contribution retirement benefit plans.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

---

2. Significant accounting policies (*continued*)

(j) Revenue recognition

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. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales 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 service rendered is recognised when services are performed.

*Interest income*

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

(k) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Centre will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants such as job credit scheme and SME cash grant are recognised as other operating income upon receipt.

(l) Deferred income tax

Deferred taxation is determined on the basis of tax effect accounting using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the balance sheet date.

At each statement of financial position date, the Centre re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Centre recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Centre conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

**2. Significant accounting policies (continued)**

**(l) Deferred income tax (continued)**

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unabsorbed capital allowances and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilised.

**(m) Income tax**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**(n) Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised as an expense in the income statement to the extent that they exceed any revaluation surplus already recognised in respect of those assets. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased. The reversal is recognised as income immediately to the extent that a revaluation deficit or impairment loss was recognised as expense previously. The excess is treated as a revaluation surplus if a fair value model is used in respect of that asset.

**(p) Related party**

A related party is a person or entity that is related to the reporting entity:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).



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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

**2. Significant accounting policies (continued)**

**(p) Related party (continued)**

- (b) An entity is related to a reporting entity if any of the following conditions applies:  
(continued)
  - (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 of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
- (c) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity 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 of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is 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).
- (d) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:
  - (i) that person's children and spouse or domestic partner;
  - (ii) children of that person's spouse or domestic partner; and
  - (iii) dependants of that person or that person's spouse or domestic partner.

**(q) Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

**2. Significant accounting policies (continued)**

**(r) Fair values of financial assets and liabilities**

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:-

Cash and cash equivalents and other current financial assets – The carrying amounts of cash and cash equivalents and other current financial assets approximate their fair values due to the relatively short-term maturity of these financial instruments.

Other current financial liabilities – The carrying amounts approximate fair value because of the short period to maturity of these financial instruments.

**3. Critical accounting judgement and key sources of estimation uncertainty**

In the application of the Centre's accounting policies, which are described in Note 2, the 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 on-going 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.

**(i) Critical judgements in applying the Centre's accounting policies**

The management is of the opinion that the key judgement which has the most significant effect on the amounts recognized in the financial statements is discussed below:

**Determination of functional currency**

The Centre measures foreign currency transactions in the functional currency of the Centre. In determining the functional currency of the Centre, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Centre is determined based on management's assessment of the economic environment in which the Centre operates its process of determining sales prices.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

**3. Critical accounting judgement and key sources of estimation uncertainty (continued)**

**(i) Critical judgements in applying the Centre's accounting policies (continued)**

Impairment of financial assets

The Centre follows the guidance of FRS 39 Financial Instruments: *Recognition and Measurement* on determining when an investment or financial asset is other than temporarily impaired. This determination requires significant judgement. The Centre evaluates, among other factors, the duration and extent to which the fair value of an investment and financial asset is less than its cost; and the financial health of and near-term business outlook for the investment of financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Income taxes

The Centre is not subject to income taxes in Singapore. Significant judgement is involved in determining the provision for income taxes. The Centre recognises liabilities for deferred tax liabilities based on estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the deferred tax provisions in the period in which such determination is made.

**(ii) Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial period, 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.

Depreciation on plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The directors estimate the useful lives of these plant and equipment to be within 3 to 10 years. The carrying amount of the Centre's plant and equipment are set out in *Note 4*. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Provisions and contingent liabilities

Estimates of the Centre's obligations arising from contracts exist as at end of the reporting period may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on the directors' knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Where it is not probable that an outflow of economic benefits will be required, or the

amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

**4. Plant and equipment**

	<u>Renovation</u> S\$	<u>Office equipment</u> S\$	<u>Computers</u> S\$	<u>Total</u> S\$
<b>Cost</b>				
01 July 2013	337,766	80,025	72,558	490,349
Additions	3,800	23,951	-	27,751
30 June 2014	341,566	103,976	72,558	518,100
Additions	-	8,170	6,874	15,044
30 June 2015	341,566	112,146	79,432	533,144
<b>Accumulated depreciation</b>				
01 July 2013	335,875	50,787	53,928	440,590
Depreciation charges	288	8,531	8,547	17,366
30 June 2014	336,163	59,318	62,475	457,956
Depreciation charges	605	11,736	7,252	19,593
30 June 2015	336,768	71,054	69,727	477,549
<b>Carrying amount</b>				
30 June 2015	4,798	41,092	9,705	55,595
30 June 2014	5,403	44,658	10,083	60,144

**5. Other receivables**

	<u>2015</u> S\$	<u>2014</u> S\$
Other receivables		
- Deposits	4,344	4,344
- Other receivables	130,235	330,498
- Prepayments	17,334	3,607
	151,913	338,449

**6. Cash and cash equivalents**

	<u>2015</u> S\$	<u>2014</u> S\$
Cash in hand	2,109	1,970
Cash at bank	1,113,551	994,829
Fixed deposit	500,000	-
	1,615,660	996,799

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

**6. Cash and cash equivalents (continued)**

The fixed deposits of the Company bears interest of 0.5% per annum and with maturity date of 6 months from the placement date and are not restricted in use.

**7. Programme funds**

	<u>1-July</u> <u>2014</u> S\$	<u>Funds</u> <u>received</u> S\$	<u>Expenses</u> <u>disbursed</u> S\$	<u>30-June</u> <u>2015</u> S\$
<b><u>2015</u></b>				
Lee Foundation – Financial Assistance	13,450	31,920	(36,420)	8,950
School Pocket Money Fund	(599)	150,956	(127,520)	22,837
Family Service Centre Comcare Fund	8,120	-	(4,835)	3,285
	<u>20,971</u>	<u>182,876</u>	<u>(168,775)</u>	<u>35,072</u>
	<u>1-July</u> <u>2013</u> S\$	<u>S\$</u>	<u>S\$</u>	<u>30-June</u> <u>2014</u> S\$
<b><u>2014</u></b>				
Emergency Relief Fund	523	-	(523)	-
Lee Foundation – Financial Assistance	11,780	40,150	(38,480)	13,450
School Pocket Money Fund	31,660	95,816	(128,075)	(599)
Toh Kian Chui Association	2,400	-	(2,400)	-
Family Service Centre Comcare Fund	7,251	18,993	(18,124)	8,120
	<u>53,614</u>	<u>154,959</u>	<u>(187,602)</u>	<u>20,971</u>

**8. Other payables**

	<u>2015</u> S\$	<u>2014</u> S\$
Voluntary Welfare Organisations (VWOs) – charity capability fund consultancy grant (advanced received)	-	8,000
Community chest haze fund	1,000	1,000
Accrued expenses	50,040	28,411
	<u>51,040</u>	<u>37,411</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

**9. Donations and grants**

	<u>2015</u> S\$	<u>2014</u> S\$
Grants from Ministry of Social and Family Development	961,197	777,410
Grants from National Council of Social Service	134,936	151,948
Grants from Singapore Totalisator Board	549,172	609,915
Grant from Foundation of Rotary Clubs (Singapore) Ltd	20,333	15,505
Single Mother Support Group	-	72,968
Capital funding – IT upgrade	-	15,245
	<u>1,665,638</u>	<u>1,642,991</u>

**10. Income from activities**

	<u>2015</u> S\$	<u>2014</u> S\$
Counselling services	<u>1,840</u>	<u>5,705</u>

**11. Other income**

	<u>2015</u> S\$	<u>2014</u> S\$
Government paid childcare leave	2,354	2,057
Interest income	124	124
Other income	19,835	2,750
Sponsored project fund	-	2,576
Voluntary charity fund consultancy grant	1,335	-
Wage credit scheme	38,362	30,383
Workforce Development Agency funding allowance	-	21,000
	<u>62,010</u>	<u>58,890</u>

**12. Governance cost**

	<u>2015</u> S\$	<u>2014</u> S\$
Audit fees	5,000	2,000
Payroll services	4,577	4,179
Professional services	3,375	9,150
	<u>12,952</u>	<u>15,329</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

**13. Staff costs**

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Salaries and bonuses	973,584	831,529
Employer's central provident fund contributions	155,620	131,871
Staff insurance	10,952	8,294
Staff training	31,105	4,034
Staff welfare	11,413	8,170
	<u>1,182,674</u>	<u>983,898</u>

**14. Other operating expenses**

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Advertisement and promotion expenses	72	6,800
Books and periodicals	246	244
Cleaning expenses	17,976	16,856
Counselling expenses	3,060	3,232
General expenses	1,360	750
General insurance expenses	2,279	1,766
Information technology support expenses	11,393	9,678
Maintenance and housekeeping expenses	11,133	8,480
Medical claims expenses	205	396
Minor equipment expensed off	254	686
Office supplies expenses	2,482	2,704
Photocopying and leasing expenses	6,638	6,638
Postage and courier expenses	329	552
Printing and stationery expenses	8,002	9,581
Programme expenses	4,878	3,220
Rental expenses	10,400	10,400
Transportation expenses	4,840	2,010
Telecommunication expenses	9,649	9,240
Town council	1,503	1,487
Utility charges	16,961	18,176
	<u>113,660</u>	<u>112,896</u>

**15. Income tax expenses**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

**16. Related parties transactions**

Parties are considered related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related party if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Centre and related parties at terms agreed between the parties:

Significant transactions with related parties:

	<u>2015</u> S\$	<u>2014</u> S\$
Grant from Foundation of Rotary Clubs (Singapore) Ltd	<u>20,333</u>	<u>15,505</u>

**17. Key management personnel compensation**

The number of key management personnel in remuneration bands is as follows:

	<u>2015</u> S\$	<u>2014</u> S\$
Remuneration band		
Between S\$50,001 to \$100,000	<u>1</u>	<u>1</u>

**18. Lease commitments**

*Lease payable*

As at the reporting date, the Centre was committed to making the following payments in respect of lease premises with a term of more than one year:

	<u>2015</u> S\$	<u>2014</u> S\$
Minimum operating lease payments payable:		
- Within one year	10,400	10,400
- After one year but not more than five years	124,800	41,600
- More than five years	<u>-</u>	<u>93,600</u>



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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

---

19. Financial instruments, financial risks and capital risks management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting year.

	<u>2015</u>	<u>2014</u>
	\$	\$
<b><u>Financial assets:</u></b>		
Other receivables	134,579	334,842
<b><u>Financial liabilities:</u></b>		
Other payables	51,040	37,411

(b) Financial risk management objectives and policies

The Centre's activities expose it to interest rate risk, credit risk, liquidity risk and management of the Centre Fund risk. The Centre does not speculate in the currency markets or hold or issue derivatives financial instruments. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Interest rate risk management

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.

(ii) Credit risk management

The carrying amounts of other receivables and cash and bank balances represent the Centre's maximum exposure to credit risk. As at 30 June 2015, there were significant concentrations of credit risk in respect of other receivables (Note 5).

The Centre exercises reasonable care and take adequate steps under each circumstance to ascertain that proper actions are to ensure that its trade receivables are, generally, of acceptable credit risk to the Centre.

(iii) Liquidity risk management

Liquidity risk is the risk the Centre is unable to meet its cash flow obligations as and when they fall due.

The Centre monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Centre's operations.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2015*

---

**19. Financial instruments, financial risks and capital risks management (continued)**

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

**(iii) Liquidity risk management (continued)**

The following table details the remaining contractual maturity for the Centre's financial liabilities based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<u>Less than 1</u> <u>year</u> \$
<u>2015</u>	
Other payables	<u>51,040</u>
<u>2014</u>	
Other payables	<u>37,411</u>

**(iv) 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 in growth.

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

-----End of audited financial statements-----