# CATHOLIC AIDS RESPONSE EFFORT

[Unique Entity No. T04SS0204E]
[IPC No. IPC000711]
[Registered under the Registrar of Societies]

**AUDITED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED**
**31 DECEMBER 2010**

**CONTENTS**




Fiducia LLP
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Singapore

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## STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

a) the financial statements as set out on pages 5 to 18 are drawn up so as to give a true and fair view of the state of affairs of the Society at 31 December 2010, and of the results of the financial activities and changes in cash flows of the Society for the financial year then ended; and

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

The Management Committee, comprising the following, authorised the issue of these financial statements on 29 JUL 2011

| | |
|---|---|
| Michael Alexander Png Tee Koon | President |
| Soo Wai Seng Anthony | Vice President |
| Ong Teck Hui | Secretary |
| Tan Jui Lian | Treasurer |
| Chen Seow Chan, Joseph | Assistant Treasurer |
| Jacinta Jamuna Rajoo | Member |
| Teo Chu Ying Albert | Member |
| Goh Wei-Ling, Susanna | Member |
| Anthony Fabian | Member |

On behalf of the Management Committee,

Michael Alexander Png Tee Koon
President

Tan Jui Lian
Treasurer

Singapore, 29 JUL 2011

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Certified Public Accountants, Singapore

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Independent auditors' report to the members of:

**CATHOLIC AIDS RESPONSE EFFORT**
[Unique Entity No. T04SS0204E]
[IPC No. IPC000711]
[Registered under the Registrar of Societies]

We have audited the financial statements of **Catholic AIDS Response Effort** (the "Society") set out on pages 5 to 18, which comprise the statement of financial position as at 31 December 2010, the statement of financial activities and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards. This responsibility includes:

a) 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 financial activities and statement of financial position and to maintain accountability of assets;

b) selecting and applying appropriate accounting policies; and

c) making accounting estimates that are reasonable in the circumstances.

*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:

**CATHOLIC AIDS RESPONSE EFFORT**
[Unique Entity No. T04SS0204E]
[IPC No. IPC000711]
[Registered under the Registrar of Societies]

*Opinion*

In our opinion,

(a) the financial statements of the Society are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 December 2010, and the results of the financial activities and cash flows of the Society for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Society have been properly kept in accordance with the provisions of the Act.

*Report on other Legal and Regulatory Requirements*

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.

**Fiducia LLP**
Certified Public Accountants

Singapore, 29 JUL 2011

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

| | Note | 2010<br>S$ | 2009<br>S$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 4 | 252,615 | 281,457 |
| Prepayments | | 0 | 876 |
| | | 252,615 | 282,333 |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 3,447 | 6,857 |
| **Total assets** | | 256,062 | 289,190 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accruals and other payables | 6 | 4,480 | 9,361 |
| **Total liabilities** | | 4,480 | 9,361 |
| **NET ASSETS** | | 251,582 | 279,829 |
| **ACCUMULATED FUNDS** | | 251,582 | 279,829 |

No separate statement of changes in funds has been prepared as the accumulated funds would have been the only component of this statement.

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

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 S$ | 2009 S$ |
|---|---|---|---|
| **INCOMING RESOURCES** | | | |
| Incoming resources from generating funds | | | |
| - Fund-raising activities | | 900 | 2,098 |
| - Voluntary income | 7 | 220,062 | 215,388 |
| Incoming resources from charitable activities | | 2,622 | 0 |
| Other incoming resources | 7 | 7,121 | 5,013 |
| | | 230,705 | 222,499 |
| **LESS: RESOURCES EXPENDED** | | | |
| Cost of fund-raising activities | | 0 | 1,898 |
| Cost of charitable activities | 8 | 54,156 | 32,184 |
| Governance and administrative costs | 8 | 204,796 | 149,411 |
| | | 258,952 | 183,493 |
| **NET INCOMING (EXPENDED) RESOURCES** | | (28,247) | 39,006 |
| **Accumulated funds brought forward** | | 279,829 | 240,823 |
| **Accumulated funds carried forward** | | 251,582 | 279,829 |

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

## STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 S$ | 2009 S$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net incoming (expended) resources | | (28,247) | 39,006 |
| Adjustments for: | | | |
| - Depreciation | 5 | 1,599 | 3,794 |
| - Impairment of property, plant and equipment | | 6,857 | 0 |
| - Payables written-off | | (4,024) | 0 |
| Operating cash flow before working capital changes | | (23,815) | 42,800 |
| Changes in operating assets and liabilities: | | | |
| - Prepayments | | 876 | (876) |
| - Accruals and other payables | | (857) | 7,661 |
| **Net cash provided by (used in) operating activities** | | (23,796) | 49,585 |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | 5 | (5,046) | (3,261) |
| **Net increase (decrease) in cash and cash equivalents** | | (28,842) | 46,324 |
| Cash and cash equivalents at beginning of financial year | | 281,457 | 235,133 |
| **Cash and cash equivalents at end of financial year** | | 252,615 | 281,457 |
| **Cash and cash equivalents comprise:** | | | |
| Cash on hand | 4 | 700 | 700 |
| Cash in bank | 4 | 51,727 | 180,757 |
| Fixed deposits | 4 | 200,188 | 100,000 |
| | | 252,615 | 281,457 |

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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

### 1. General information

Catholic AIDS Response Effort ("the Society") is registered on 2 August 2004 under the Societies Act (Chapter 311). The Society is a non-profit organisation. The address of its registered office is 43 Toa Payoh Rise, Singapore 298103.

The Society is registered as a charity under the Charities Act (Chapter 37) with effect from 7 July 2006 and is a member with the Commissioner of Charities.

The Society has been accorded an Institute of Public Character ('IPC') status for the period from 1 November 2010 to 31 October 2012.

The principal activity of the Society is to provide holistic care and support to people living with HIV/AIDS (PLWHAs) and their families.

These financial statements are presented in Singapore Dollar, which is the Society'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") and the disclosure requirements of the Recommended Accounting Practice 6. 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 Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**Interpretations and amendments to published standards effective in 2010**

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

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

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

The following are the FRS and INT FRS that are relevant to the Society:

| FRS | Effective Date | Title |
|---|---|---|
| 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 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 Society's accounting policies.

### 2.2 Revenue recognition

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

2.2.1 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 Interest income on bank current accounts and fixed deposits placed with banks are recognized on a time-proportion basis using the effective interest method.

2.2.3 Other income are recognized when incurred.

### 2.3 Cost recognition

Resources expended

All expenditures are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of generating funds from fund-raising activities

Costs that are directly attributable to the fund-raising activities are separated from those costs incurred in undertaking charitable activities.

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

### 2.3 Cost recognition (Cont'd)

2.3.2 Charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Society. The total costs of charitable expenditure are apportionment of overhead and shared costs.

2.3.3 Governance costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

### 2.4 Property, plant and equipment

2.4.1 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.

2.4.2 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 lives |
|---|---|
| Computer software | 3 years |
| Office equipment | 3 years |
| Furniture and fittings | 5 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.

2.4.3 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 Society 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. Significant accounting policies (Cont'd)

### 2.4 Property, plant and equipment (Cont'd)

2.4.4 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.

### 2.5 Impairment of non-financial assets

Property, 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.

### 2.6 Financial assets

2.6.1 Classification

The Society classifies its financial assets in the following category: 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.

<u>Loans and receivables</u>
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are classified within "Other receivables" and "Cash and cash equivalents" on the statement of financial position.

2.6.2 Recognition and derecognition

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

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

### 2.6 Financial assets (Cont'd)

2.6.3 Measurement

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

2.6.4 Impairment

The Society 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.

<u>Loans and receivables</u>
An allowance for impairment of loans and receivables including other receivables, is recognized when there is objective evidence that the Society 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 reorganization, 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 recognized in the statement of financial activities.

### 2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

### 2.8 Financial liabilities

Financial liabilities are recognised when the Society becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include accruals and other payables.

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

### 2.9 Accruals and other payables

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

### 2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society 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. Significant accounting policies (Cont'd)

### 2.11 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.

### 2.12 Funds

Fund balances are restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilized in accordance with the purposes for which they are established. The Management Committee retain full control over the use of unrestricted funds for any of the Society's purposes. There is no restricted funds at the end of the year.

### 2.13 Leases

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 recognized 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 recognized as an expense in the statement of financial activities in the financial year in which they are incurred.

### 2.14 Employee compensation

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

Employee entitlements to annual leave are recognized 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.

### 2.15 Income taxes

The Society is registered as a charity organisation under Charities Act, Chapter 37. As an approved charity, it is exempt from income tax under Section 13(1) of the Income Tax Act.

### 2.16 Related parties

Related parties are entities with one or more common management committee members. 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.

<u>Critical judgments in applying the entity's accounting policies</u>

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

*Estimated useful lives of property, plant and equipment*

The Society 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.

*Impairment of property, plant and equipment*

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

## 4. Cash and cash equivalents

| | 2010<br>S$ | 2009<br>S$ |
|---|---|---|
| Cash on hand | 700 | 700 |
| Cash in bank | 51,727 | 180,757 |
| Fixed deposits | 200,188 | 100,000 |
| | 252,615 | 281,457 |

Fixed deposits mature within 3 months and bear interest of 0.15% per annum.

At the statement of financial position date, the carrying amounts of cash and cash equivalents approximated their fair values.

## 5. Property, plant and equipment

| | Computer software S$ | Office equipment S$ | Furniture and fittings S$ | Total S$ |
|---|---|---|---|---|
| **2010** | | | | |
| **Cost** | | | | |
| Beginning of financial year | 350 | 8,038 | 3,261 | 11,649 |
| Additions | 1,382 | 1,604 | 2,060 | 5,046 |
| End of financial year | 1,732 | 9,642 | 5,321 | 16,695 |
| **Accumulated depreciation and impairment** | | | | |
| Beginning of financial year | 256 | 3,539 | 997 | 4,792 |
| Depreciation charge | 461 | 500 | 638 | 1,599 |
| Impairment | 94 | 4,499 | 2,264 | 6,857 |
| End of financial year | 811 | 8,538 | 3,899 | 13,248 |
| **Net book value at end of financial year** | 921 | 1,104 | 1,422 | 3,447 |

| | Computer software S$ | Office equipment S$ | Furniture and fittings S$ | Total S$ |
|---|---|---|---|---|
| **2009** | | | | |
| **Cost** | | | | |
| Beginning of financial year | 350 | 8,038 | 0 | 8,388 |
| Additions | 0 | 0 | 3,261 | 3,261 |
| End of financial year | 350 | 8,038 | 3,261 | 11,649 |
| **Accumulated depreciation** | | | | |
| Beginning of financial year | 139 | 859 | 0 | 998 |
| Depreciation charge | 117 | 2,680 | 997 | 3,794 |
| End of financial year | 256 | 3,539 | 997 | 4,792 |
| **Net book value at end of financial year** | 94 | 4,499 | 2,264 | 6,857 |

## 6. Accruals and other payables

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

## 7. Incoming resources

| | 2010 S$ | 2009 S$ |
|---|---|---|
| **Voluntary income** | | |
| Contributions from Caritas Singapore | 204,289 | 204,189 |
| Contributions from tenants | 1,960 | 1,100 |
| Donation in kind | 250 | 0 |
| Miscellaneous collections | 13,563 | 10,099 |
| | 220,062 | 215,388 |
| **Other incoming resources** | | |
| Interest income | 187 | 0 |
| Other income | 2,910 | 5,013 |
| Payables written-off | 4,024 | 0 |
| | 7,121 | 5,013 |

## 8. Resources expended

| | 2010 S$ | 2009 S$ |
|---|---|---|
| **Cost of charitable activities** | | |
| Catering, food and household expenses | 14,469 | 7,447 |
| Education and training expenses | 3,397 | 613 |
| Handicraft sales | 2,622 | 0 |
| Medicine and minor medical equipment | 4,215 | 1,071 |
| Minor office equipment | 34 | 60 |
| Non-resident women and children support program | 9,391 | 4,607 |
| Promotion and newspaper expenses | 0 | 900 |
| Reading and recreation | 3,578 | 2,428 |
| Resident incentive and assistance | 6,850 | 4,503 |
| Shelter tenure | 9,600 | 9,600 |
| Therapy project expenses | 0 | 955 |
| | 54,156 | 32,184 |
| **Governance and administrative costs** | | |
| Accountancy fee | 500 | 200 |
| Auditor's remuneration | 2,000 | 1,500 |
| Bank charges | 50 | 23 |
| CARE website | 20 | 900 |
| Cleaning and environment services | 25,734 | 27,876 |
| CPF contribution | 10,743 | 12,078 |
| Depreciation | 1,599 | 3,794 |
| Impairment of property, plant and equipment | 6,857 | 0 |
| Insurance expenses | 1,402 | 722 |
| Internal audit fees | 0 | 1,500 |
| Landscaping services | 3,120 | 3,240 |
| Late payment charges | 0 | 66 |
| Meeting expenses | 282 | 212 |
| Miscellaneous expenses | 1,394 | 18 |
| Office equipment maintenance | 1,293 | 27 |
| Plumbing, sewerage and water system | 121 | 3,993 |
| Postage, printing and stationery | 3,460 | 1,374 |
| Professional fees | 5,980 | 145 |
| Provision for unutilized leave | 0 | 845 |
| Repairs and maintenance | 2,225 | 2,529 |
| Security expenses | 30,816 | 5,242 |
| Staff medical fees | 337 | 475 |
| Staff salaries | 76,624 | 67,600 |
| Sundry expenses | 6 | 652 |
| Telecommunications | 2,440 | 1,808 |
| Transportation/travelling | 4,901 | 1,828 |
| Upkeep of premises | 8,891 | 477 |
| Utilities | 14,001 | 10,287 |
| | 204,796 | 149,411 |

## 9. Income tax expense

The Society is registered as a charity organisation under Charities Act, Chapter 37. As an approved charity, it is exempt from income tax under Section 13(1) of the Income Tax Act.

## 10. Key management personnel compensation

Key management personnel compensation for the financial year is as follows:

| | 2010 S$ | 2009 S$ |
|---|---|---|
| Number of key management in remuneration bands | | |
| S$50,000 and below | 1 | 1 |

## 11. Reserve policy and position

The Society's reserve position (excluding non-current assets) for financial year ended 31 December 2010 is as follows:

| | | 2010 | 2009 | Increase/ (decrease) |
|---|---|---|---|---|
| | | S$'000 | S$'000 | % |
| A | Unrestricted Funds | | | |
| | Accumulated general funds | 252 | 280 | (10) |
| B | Restricted or Designated Funds | | | |
| | Designated Funds | 0 | 0 | 0 |
| | Restricted Funds | 0 | 0 | 0 |
| C | Endowment Funds | 0 | 0 | 0 |
| D | Total Funds | 252 | 280 | (10) |
| E | Total Annual Operating Expenditure | 259 | 183 | 41 |
| F | Ratio of Funds to Annual Operating Expenditure (A/E) | 0.97 | 1.53 | (0.37) |

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 Society's Reserve Policy is as follows:

*The Management Committee shall maintain a Reserve Fund for purposes of holding surpluses or meeting shortfalls or deficits for any financial year. At the beginning of the financial year, the Management Committee shall initiate the budgetary processes by advancing to the cash book account such sums as may be needed until the arrival of revenues for the year. At the end of the year, the surpluses or deficits of the cash book account for the financial year in question shall be transferred to the Reserve Fund based on the audited financial statements.*

## 12. Financial risk management

The Society does not have a formal risk management policies and guidelines. The Society does not hold or issue derivative financial instruments.

(i) Interest rate risk

The Society is not exposed to interest rate risk as it has no bank borrowings.

(ii) Liquidity risk

The Society manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance its on-going working capital requirements.

(iii) Credit risk

The Society has no significant concentrations of credit risk.

The Society places its cash with creditworthy financial institutions.

The carrying amounts of cash and cash equivalents represent the Society's maximum exposure to credit risk.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values.

## 13. Comparative figures

The financial statements for the financial year ended 31 December 2009 were audited by a firm of auditors other than Messrs Fiducia LLP. The audit opinion issued for the financial statements for the financial year ended 31 December 2009 was unqualified.

## 14. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 29 JUL 2011