

**CHILDREN-AT-RISK
EMPOWERMENT ASSOCIATION
(CARE SINGAPORE)**

[Unique Entity No. T00SS0043E]

[IPC No. IPC000150]

[Registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2012**

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements as set out on pages 5 to 21 are drawn up so as to give a true and fair view of the state of affairs of Children-At-Risk Empowerment Association (CARE Singapore) (the "Society") as at 30 April 2012 and of its results of financial activities, the changes in funds and cash flows of the Society for the year then ended; and

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 **07 AUG 2012**

President	Jeffrey Neo Kheng Leong
Vice President	Rudy Pierre Low
Honorary Secretary	Ester Gerber
Honorary Treasurer	Tien Mei Lin
Committee Member	Sandy Chua Khang Ein
Committee Member	Kenneth Pan
Committee Member	Neo Kah Yean
Committee Member	Freddie Kee Thiam Hock
Committee Member	Jean Goh
Committee Member	Wong Yew Chong

For and on behalf of the Management Committee,



Jeffrey Neo Kheng Leong
President



Tien Mei Lin
Honorary Treasurer

Singapore, **07 AUG 2012**

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Independent auditors' report to the members of:

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)

[Unique Entity No. T00SS0043E]
[IPC No. IPC000150]
[Registered under the Societies Act (Chapter 311) in the
Republic of Singapore]

We have audited the accompanying financial statements of **Children-At-Risk Empowerment Association (CARE Singapore)** (the "Society") set out on pages 5 to 21, which comprise the statement of financial position as at **30 April 2012**, the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), 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 financial activities and statement of financial position and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(CONT'D)

Independent auditors' report to the members of:

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)

[Unique Entity No. T00SS0043E]
[IPC No. IPC000150]
[Registered under the Societies Act (Chapter 311) in the
Republic of Singapore]

Opinion

In our opinion, the financial statements 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 30 April 2012, and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15 (1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

The use of donation money is in accordance with the objectives of the Society.



Fiducia LLP
Certified Public Accountants

Singapore, 07 AUG 2012

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2012

	Note	2012 S\$	2011 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	2,196,513	1,967,731
Grants and other receivables	5	<u>154,952</u>	<u>160,677</u>
		2,351,465	2,128,408
Non-current assets			
Property, plant and equipment	6	47,302	53,235
Total assets		<u>2,398,767</u>	<u>2,181,643</u>
LIABILITIES			
Current liabilities			
Payables and accruals	7	37,834	36,061
Total liabilities		<u>37,834</u>	<u>36,061</u>
NET ASSETS		<u>2,360,933</u>	<u>2,145,582</u>
FUNDS			
Unrestricted funds			
Accumulated general fund	8	2,339,007	2,119,656
Designated funds			
Building fund	9	<u>21,926</u>	<u>25,926</u>
TOTAL FUNDS		<u>2,360,933</u>	<u>2,145,582</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	2012			2011		
	Unrestricted Accumulated general fund S\$	Designated Building fund S\$	Total funds S\$	Unrestricted Accumulated general fund S\$	Designated Building fund S\$	Total funds S\$
INCOME						
Voluntary income						
Donations – Non-tax exempt	42,496	0	42,496	24,664	0	24,664
Donations – Tax exempt	498,412	0	498,412	282,428	0	282,428
Donations – Others	27,129	0	27,129	0	0	0
Government grant	224,497	0	224,497	17,602	0	17,602
MCYS Enhanced Step – Up grant	170,760	0	170,760	171,360	0	171,360
NCSS grants	269,443	0	269,443	291,234	0	291,234
	1,232,737	0	1,232,737	787,288	0	787,288
Activities for generating funds						
Fundraising income	37,495	0	37,495	0	0	0
Conference fees	41,150	0	41,150	283,490	0	283,490
Workshop fees	83,529	0	83,529	26,529	0	26,529
	162,174	0	162,174	310,019	0	310,019
Income from charitable activities						
Counselling fees	1,275	0	1,275	53,570	0	53,570
Course fees	483,290	0	483,290	458,250	0	458,250
Outreach activities	68,160	0	68,160	0	0	0
	552,725	0	552,725	511,820	0	511,820
Other income						
Bank interest	2,109	0	2,109	3,335	0	3,335
Fixed deposit interest	10,497	0	10,497	11,230	0	11,230
Miscellaneous	3,625	0	3,625	1,588	0	1,588
	16,231	0	16,231	16,153	0	16,153
Total income	1,963,867	0	1,963,867	1,625,280	0	1,625,280
EXPENDITURES						
Cost of generating funds						
Fundraising activities	7,043	0	7,043	0	0	0
Conference expenses	380	0	380	146,897	0	146,897
Workshop expenses	30,723	0	30,723	359	0	359
	38,146	0	38,146	147,256	0	147,256
Governance and administrative costs						
Accounting fees	8,401	0	8,401	8,199	0	8,199
Audit fees	11,000	0	11,000	7,030	0	7,030
Bank charges	200	0	200	205	0	205
General expenses	1,532	0	1,532	510	0	510
Office expenses	1,362	0	1,362	2,981	0	2,981
Petty cash expenses	0	0	0	1,553	0	1,553
Professional services	796	0	796	813	0	813
	23,291	0	23,291	21,291	0	21,291

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012
(CONT'D)**

	2012			2011		
	Unrestricted	Designated	Total Funds S\$	Unrestricted	Designated	Total funds S\$
	Accumulated general fund S\$	Building fund S\$		Accumulated general fund S\$	Building fund S\$	
EXPENDITURES (Cont'd)						
Staffing costs						
CPF, SDL and FWL contributions	165,024	0	165,024	132,146	0	132,146
Medical and dental claims	11,057	0	11,057	7,924	0	7,924
Salaries and bonuses	1,228,337	0	1,228,337	1,045,147	0	1,045,147
Staff courses	53,435	0	53,435	27,215	0	27,215
Staff insurance	9,001	0	9,001	7,629	0	7,629
Staff welfare	9,143	0	9,143	4,762	0	4,762
	<u>1,475,997</u>	<u>0</u>	<u>1,475,997</u>	<u>1,224,823</u>	<u>0</u>	<u>1,224,823</u>
Cost of charitable expenses						
Camp supplies	42,984	0	42,984	33,431	0	33,431
Centre of Specialisation	0	0	0	26,215	0	26,215
Counselling expenses	619	0	619	675	0	675
Depreciation	17,966	4,000	21,966	12,723	11,529	24,252
Insurance	8,017	0	8,017	7,657	0	7,657
Printing and stationery	6,432	0	6,432	6,871	0	6,871
Public relations / Education materials	12,905	0	12,905	6,180	0	6,180
Reading therapy	9,043	0	9,043	5,628	0	5,628
Rental of premise	16,949	0	16,949	16,949	0	16,949
Rental of venue	0	0	0	899	0	899
Repairs and maintenance	4,353	0	4,353	5,924	0	5,924
Resource books and materials	2,857	0	2,857	421	0	421
Rewards/Incentives to students	11,429	0	11,429	20,717	0	20,717
Services and conservancies	770	0	770	770	0	770
Specific assistance to clients	286	0	286	44	0	44
Telephone and internet	14,415	0	14,415	13,885	0	13,885
Transport claims	45,910	0	45,910	35,066	0	35,066
Utilities	11,983	0	11,983	8,288	0	8,288
Volunteer expenses	164	0	164	190	0	190
	<u>207,082</u>	<u>4,000</u>	<u>211,082</u>	<u>202,533</u>	<u>11,529</u>	<u>214,062</u>
Total expenditures	<u>1,744,516</u>	<u>4,000</u>	<u>1,748,516</u>	<u>1,595,903</u>	<u>11,529</u>	<u>1,607,432</u>
NET INCOME/(EXPENDITURES) FOR THE YEAR	219,351	(4,000)	215,351	29,377	(11,529)	17,848
TOTAL FUNDS BROUGHT FORWARD	<u>2,119,656</u>	<u>25,926</u>	<u>2,145,582</u>	<u>2,090,279</u>	<u>37,455</u>	<u>2,127,734</u>
TOTAL FUNDS CARRIED FORWARD	<u>2,339,007</u>	<u>21,926</u>	<u>2,360,933</u>	<u>2,119,656</u>	<u>25,926</u>	<u>2,145,582</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	<u>Unrestricted</u> Accumulated general fund S\$	<u>Designated</u> Building fund S\$	Total funds S\$
2012			
Balances brought forward	2,119,656	25,926	2,145,582
Net income / (expenditures) for the year	219,351	(4,000)	215,351
Balances carried forward	<u>2,339,007</u>	<u>21,926</u>	<u>2,360,933</u>
	<u>Unrestricted</u> fund Accumulated general fund S\$	<u>Designated</u> fund Building fund S\$	Total funds S\$
2011			
Balances brought forward	2,090,279	37,455	2,127,734
Net income / (expenditures) for the year	<u>29,377</u>	<u>(11,529)</u>	<u>17,848</u>
Balances carried forward	<u>2,119,656</u>	<u>25,926</u>	<u>2,145,582</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

	Note	2012 S\$	2011 S\$
Cash flows from operating activities			
Net income / (expenditures) for the year			
- Accumulated general fund	8	219,351	29,377
- Building fund	9	(4,000)	(11,529)
		<u>215,351</u>	<u>17,848</u>
Adjustments for:			
- Depreciation	6	21,966	24,252
- Fixed deposit interest		(10,497)	(11,230)
- Interest income		(2,109)	(3,335)
Operating cash flow before working capital changes		<u>224,711</u>	<u>27,535</u>
Changes in operating assets and liabilities			
- Grants and other receivables		5,725	(142,830)
- Payables and accruals		1,773	10,657
Cash generated from / (used in) operations		<u>232,209</u>	<u>(104,638)</u>
Interest received		<u>2,109</u>	<u>3,335</u>
Net cash generated from / (used in) operating activities		<u>234,318</u>	<u>(101,303)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	6	(16,033)	(44,870)
Fixed deposits interest received		<u>10,497</u>	<u>10,500</u>
Net cash used in investing activities		<u>(5,536)</u>	<u>(34,370)</u>
Net increase / (decrease) in cash and cash equivalents		228,782	(135,673)
Cash and cash equivalents at beginning of financial year		1,967,731	2,103,404
Cash and cash equivalents at end of financial year		<u><u>2,196,513</u></u>	<u><u>1,967,731</u></u>
Cash and cash equivalents comprise:			
Cash at bank and on hand		696,513	717,731
Fixed deposits	4	<u>1,500,000</u>	<u>1,250,000</u>
		<u><u>2,196,513</u></u>	<u><u>1,967,731</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2012

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

1. General information

Children-At-Risk Empowerment Association (CARE Singapore) (the "Society") was registered on 4 January 2000 under the Societies Act (Cap. 311) and on 26 June 2001 under the Charities Act (Cap. 37). The registered office and principal place of business is at Block 428, Pasir Ris Drive 6, #01-21, Singapore 510428.

The objectives of the Society consist of the following:

- To cater to the needs of children and youth at risk of failure, addiction and delinquency through school and community-based programs and services, regardless of race, language or religion;
- To conduct research, develop and provide resources, programs and activities in the areas of prevention, motivation, leadership development, counselling, development of foundational skills, wellness and wholistic development;
- To provide support of pastoral care, counselling and guidance initiatives in schools and community via teacher/adult training, workshops, seminars and publications; and
- To promote the development of positive home environments.

The Society has been accorded the Institutions of a Public Character ("IPC") status for the period from 1 November 2011 to 31 October 2014.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"), the disclosure requirements of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2011

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. 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 21	1.1.2006	The effect of changes in foreign exchange rates
FRS 24	1.1.2006	Related party disclosures
FRS 32	1.2.2007	Financial instruments: Presentation
FRS 32	1.2.2009	Financial instruments: Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: Recognition and measurement
FRS 107	1.1.2009	Financial instruments: Disclosures

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

2.2 Revenue recognition

Revenue 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

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

2.2.2 Grants

Grants received to meet the Society's operating expenses are recognised as incoming resources to match the related operating costs.

2.2.3 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.2.4 Other income

Other income is recognized when incurred.

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment

2.3.1 Measurement

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

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

2.3.2 Depreciation

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

	Useful life
YOUthCARE Centre office – Renovation	5 years
Office equipment	3 years
Electrical equipment	5 years
Computers	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 reporting date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the 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.

2.3.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.4 Impairment of non-financial assets

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.

2.5 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.

2.6 Financial assets

2.6.1 Classification

The Society classifies its financial assets as 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.

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 reporting date, which are classified as non-current assets. Receivables are classified within "receivables" and "cash and cash equivalents" on the statement of financial position.

2.6.2 Recognition and derecognition

Financial assets are derecognised 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.

2.6.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Receivables are subsequently carried at amortised cost using effective interest method.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.4 Impairment

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

An allowance for impairment of receivables is recognised 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 reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and, short-term and highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

2.8 Accruals and other payables

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

2.9 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.

2.10 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.

2.11 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 comprehensive income 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 comprehensive income. Contingent rents are recognized as an expense in the statement of comprehensive income in the financial year in which they are incurred.

2. Significant accounting policies (Cont'd)

2.12 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 reporting date.

2.13 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial activities.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

Allowance for impairment of receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual client. If there are indications that the financial position of a client has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Cash and cash equivalents

	2012 S\$	2011 S\$
Cash at bank and on hand	696,513	717,731
Fixed deposits	<u>1,500,000</u>	<u>1,250,000</u>
	<u>2,196,513</u>	<u>1,967,731</u>

Fixed deposits at the reporting date had an average interest rate from 1.00% to 1.25% (2011: 1.00%) per annum.

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair value.

5. Grants and other receivables

	2012 S\$	2011 S\$
Grants receivables	125,391	145,265
Deposits	25,495	3,073
Accrued interest receivable	360	8,664
Prepayments	<u>3,706</u>	<u>3,675</u>
	<u>154,952</u>	<u>160,677</u>

At the reporting date, the carrying amounts of grants and other receivables approximated their fair value.

6. Property, plant and equipment

	Balance at beginning S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2012				
Cost				
YOUthCARE Centre – Renovation	434,852	11,056	0	445,908
Office equipment	82,426	0	0	82,426
Electrical equipment	25,806	3,117	0	28,923
Computers	23,430	1,860	0	25,290
Furniture and fittings	<u>28,558</u>	<u>0</u>	<u>0</u>	<u>28,558</u>
	<u>595,072</u>	<u>16,033</u>	<u>0</u>	<u>611,105</u>

6. Property, plant and equipment (Cont'd)

	Balance at beginning S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
2012 (Cont'd)				
Accumulated depreciation				
YOUthCARE Centre – Renovation	408,628	8,985	0	417,613
Office equipment	79,990	2,436	0	82,426
Electrical equipment	24,397	1,227	0	25,624
Computers	4,584	8,012	0	12,596
Furniture and fittings	24,238	1,306	0	25,544
	<u>541,837</u>	<u>21,966</u>	<u>0</u>	<u>563,803</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Net book value				
YOUthCARE Centre – Renovation	26,224			28,295
Office equipment	2,436			0
Electrical equipment	1,409			3,299
Computers	18,846			12,694
Furniture and fittings	4,320			3,014
	<u>53,235</u>			<u>47,302</u>
	Balance at beginning S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2011				
Cost				
YOUthCARE Centre – Renovation	417,082	17,770	0	434,852
Office equipment	82,426	0	0	82,426
Electrical equipment	25,806	0	0	25,806
Computers	0	23,430	0	23,430
Furniture and fittings	24,888	3,670	0	28,558
	<u>550,202</u>	<u>44,870</u>	<u>0</u>	<u>595,072</u>
	Balance at beginning S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
Accumulated depreciation				
YOUthCARE Centre – Renovation	396,803	11,825	0	408,628
Office equipment	73,810	6,180	0	79,990
Electrical equipment	23,794	603	0	24,397
Computers	0	4,584	0	4,584
Furniture and fittings	23,178	1,060	0	24,238
	<u>517,585</u>	<u>24,252</u>	<u>0</u>	<u>541,837</u>

6. Property, plant and equipment (Cont'd)

	Balance at beginning of year S\$	Balance at end of year S\$
Net book value		
YOUthCARE Centre -Renovation	20,279	26,224
Office equipment	8,616	2,436
Electrical equipment	2,012	1,409
Computers	0	18,846
Furniture and fittings	1,710	4,320
	<u>32,617</u>	<u>53,235</u>

7. Accruals and other payables

	2012 S\$	2011 S\$
CPF contributions payable	160	23,420
Accrued operating expenses	37,674	12,641
	<u>37,834</u>	<u>36,061</u>

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

8. Accumulated general fund

	2012 S\$	2011 S\$
Balance at beginning of financial year	2,119,656	2,090,279
Surplus for the year	219,351	29,377
Balance at end of financial year	<u>2,339,007</u>	<u>2,119,656</u>

The accumulated general fund represents accumulated surplus and is for the purpose of meeting the operating expenses incurred by the Society.

9. Designated funds

	2012 S\$	2011 S\$
Balances brought forward	25,926	37,455
Surplus for the year	(4,000)	(11,529)
Balances carried forward	<u>21,926</u>	<u>25,926</u>

Building fund represents donations received for the purpose of financing the renovation costs of the Society's office premise – YOUthCARE Centre.

10. Fundraising activities

2012	Total proceeds S\$	Total fundraising expenses S\$	Net fund raising income S\$
Sale/ Donation Booth			
– Period from 25 July 2011 to 10 August 2011	15,318	2,089	13,229
Placement of Donation Box			
– Period from 01 May 2011 to 30 June 2012	22,177	4,954	17,223
	<u>37,495</u>	<u>7,043</u>	<u>30,452</u>

There was no fundraising activity held during the financial year ended 30 April 2011.

11. Income tax

The Society is a charity registered under the Charities Act since 26 June 2001. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

12. Remuneration of key management personnel

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

	2012 S\$	2011 S\$
Salaries and other short terms employee benefits	348,394	281,990
Post- employment benefits – Contributions to CPF	37,790	26,365
	<u>386,184</u>	<u>308,355</u>
	2012 No. of key management personnel	2011 No. of key management personnel
Remuneration band		
S\$50,000 – S\$100,000	1	1
S\$100,000 – S\$150,000	3	2
	<u>4</u>	<u>3</u>

The remuneration of key management personnel is determined by the Management Committee.

12. Financial risk management

The Society is primarily funded by grants from MCYS and NCSS, donations and receipts from provision of counselling services and course fees.

The Society has limited exposure to the following risk through its charitable activities:

Liquidity risk

The Society manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the Management Committee to fund the Society's activities. It places its cash with creditworthy institutions.

Credit risk

The Society has minimal exposure to credit risks due to the nature of its activities.

Fair value interest rate risk

Changes in interest rates do not have a material impact on the Society as it does not have any interest-bearing liabilities.

Foreign exchange risk

The Society has minimal exposure to foreign exchange risk.

The responsibility for managing the above risks is vested in the Management Committee.

Fair value

As at 30 April 2012, the carrying amounts of all financial assets and liabilities approximated their fair values due to their short-term nature.

13. Reserve position and policy

The Society's reserve position for financial year ended 30 April 2012 is as follows:

		2012	2011	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	2,346	2,120	10%
B	Restricted or Designated Funds			
	Building funds	22	26	(15%)
C	Endowment Funds	N/A	N/A	
D	Total Funds	2,368	2,146	10%
E	Total Annual Operating Expenditure	1,742	1,607	8%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.35	1.32	2%

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.

13. Reserve position and policy (Cont'd)

The Society's Reserve Policy is as follows:

To reassert the practice of placing the Society's reserves in only low-risk and conservative financial instruments until such time when reserves amass an amount equivalent to three-years expenses level whereupon other investment options may be considered.

14. Authorisation of financial statements

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