

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)

(Unique Entity No. T00SS0043E)

(IPC No. IPC000150)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

AUDIT TRUST PAC
Chartered Accountants, Singapore

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
(Unique Entity No. T00SS0043E)
(IPC No. IPC000150)

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2014**

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CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)

(Unique Entity No. T00SS0043E)

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements as set out on pages 4 to 20 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 2014 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

President	Jeffrey Neo Kheng Leong
Vice President	Rudy Pierre Low
Honorary Secretary	Ester Gerber
Honorary Treasurer	Pan Kok Keong, Kenneth
Committee Member	Mei Lin Siregar (nee Tien Mei Lin)
Committee Member	Neo Kah Yeap
Committee Member	Darren Lai
Committee Member	Wong Yew Chong

For and on behalf of the Management Committee,



Jeffrey Neo Kheng Leong
President



Pan Kok Keong, Kenneth
Honorary Treasurer

Singapore,

14 OCT 2014

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)**

Report on financial statements

We have audited the accompanying financial statements of Children-At-Risk Empowerment Association (CARE Singapore) (the "Society"), which comprise of the statement of financial position of the Society as at 30 April 2014, the statement of comprehensive income, statement of changes in funds and statement of cash flows of the Society 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, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, the Charities Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Charity as at 30 April 2014 and of the results, changes in funds and cash flows of the Charity for the year ended on that date.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
(CONT'D)**

Report on legal and regulatory requirement

In our opinion, the accounting and other records required by the Act to be kept by the Charity 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 causes us to believe that during the year:

- i). The use of the donation monies was not in accordance with the objectives of the Charity as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- ii). The Charity has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Other Matters

The financial statements for the financial year ended 30 April 2013 were audited by another auditor whose report dated 19 November 2013 expressed an unqualified opinion on those statements.

Audit Trust PAC

AUDIT TRUST PAC
Public Accountants and
Chartered Accountants
Singapore

14 OCT 2014

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
 (Unique Entity No. T00SS0043E)
 (IPC No. IPC000150)

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2013

	Note	2014 \$	2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,809,405	2,452,061
Other receivables	5	91,036	45,124
		<u>1,900,441</u>	<u>2,497,185</u>
Non-current assets			
Property, plant and equipment	6	103,498	28,096
		<u>2,003,939</u>	<u>2,525,281</u>
LIABILITIES			
Current liabilities			
Accruals	7	20,978	16,055
		<u>20,978</u>	<u>16,055</u>
NET ASSETS		<u>1,982,961</u>	<u>2,509,226</u>
FUNDS			
Unrestricted funds			
Accumulated general fund	8	2,469,769	2,487,300
Designated funds			
Building fund	9	21,926	21,926
Uth power project fund		(434,686)	-
TSP project fund		<u>(74,048)</u>	<u>-</u>
		<u>1,982,961</u>	<u>2,509,226</u>

The accompanying notes form an integral part of these financial statements

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
 (Unique Entity No. T00SS0043E)
 (IPC No. IPC000150)

**SUPPLEMENTARY PROFIT AND LOSS ACCOUNT
 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2014**

PROJECTS	Uth Power!	TSP	General	Total	Total
	\$	\$	\$	2014	2013
INCOME				\$	\$
Voluntary income					
Donations - Non-tax exempt	35,500	-	27,603	63,103	261,940
Donations - Tax exempt	13,987	-	509,250	523,237	374,970
Donations - Others	-	-	15,000	15,000	15,000
	<u>49,487</u>	-	<u>551,853</u>	<u>601,340</u>	<u>651,910</u>
Income from fundraising activities					
Fundraising income	-	-	-	-	9,457
<u>Services rendered</u>					
- Conference income	-	-	-	-	116,272
- Miscellaneous services	-	-	13,000	13,000	65,353
- Workshop fees	-	-	11,750	11,750	27,560
	-	-	<u>24,750</u>	<u>24,750</u>	<u>218,642</u>
Income from charitable activities					
Counselling fees	-	-	-	-	3,050
Enhanced Step - Up grant	-	-	86,544	86,544	139,920
NCSS grant	296,168	-	-	296,168	320,742
Other ad hoc grants	-	-	13,136	13,136	131,233
Outreach activities	-	-	83,039	83,039	148,426
Miscellaneous services	22,240	-	37,141	59,381	26,486
Programme fees	475,650	-	120,949	596,599	700,200
	<u>794,058</u>	-	<u>340,809</u>	<u>1,134,867</u>	<u>1,470,057</u>
Investment income					
Bank interest	-	-	328	328	1,034
Fixed deposit interest	-	-	15,188	15,188	18,723
	-	-	<u>15,516</u>	<u>15,516</u>	<u>19,757</u>
Total income resources	843,545	-	932,928	1,776,473	2,360,366
EXPENDITURE					
Cost of fundraising activities					
Fundraising activities	-	-	-	-	-
Conference expenses	-	-	33,745	33,745	150,299
Workshop expenses	-	-	-	-	20,134
	-	-	<u>33,745</u>	<u>33,745</u>	<u>170,433</u>

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
 (Unique Entity No. T00SS0043E)
 (IPC No. IPC000150)

**SUPPLEMENTARY PROFIT AND LOSS ACCOUNT
 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2014 (CONT'D)**

PROJECTS	Uth	TSP		General	Total	Total
	Power/	\$		\$	2014	2013
EXPENDITURE	\$			\$	\$	\$
Cost of charitable activities						
Camp supplies	29,247	148		764	30,159	21,752
Counselling expenses	-	-		1,140	1,140	498
Depreciation on property, plant and equipment	-	-		34,660	34,660	19,206
Outreach activities	-	-		11,672	11,672	9,856
Printing and stationery	2,289	106		602	2,997	1,383
Public relations/ Education materials	4,921	348		1,990	7,259	2,237
Rental of premise	12,044	860		4,302	17,206	16,949
Repairs and maintenance	4,221	282		2,530	7,033	10,777
Resource books and materials	665	12		155	832	5,759
Rewards/ Incentives to students	70,498	38		-	70,536	18,249
Specific assistance to clients	4,192	-		73	4,265	33,607
Telephone and transport expenses	37,727	1,539		28,389	67,655	60,879
Utilities	9,473	677		3,383	13,533	11,966
Volunteer expenses	169	12		60	241	298
	175,446	4,022		89,720	269,188	213,416
Governance and other administrative costs						
Accounting fees	-	-		-	-	2,215
Audit fees	4,900	350		1,750	7,000	7,500
Bank charges	277	20		99	396	1,000
Fixed assets written off	-	-		3,486	3,486	-
General expenses	38	3		14	55	1,912
Insurance	3,590	256		1,273	5,119	10,546
Office expenses	16,514	1,180		5,898	23,592	5,324
Petty cash expenses	1,728	123		617	2,468	2,240
Professional services	3,600	257		1,286	5,143	3,096
	30,647	2,189		14,423	47,259	33,833
Staffing costs						
CPF, SDL and FWL contributions	132,241	8,629		105,457	246,327	207,218
Medical and dental claims	9,160	977		5,999	16,136	9,891
Salaries and bonuses	797,198	49,489		645,858	1,492,545	1,437,496
Staff insurance	39,282	2,806		10,416	52,504	64,520
Staff welfare	14,465	990		4,951	20,406	18,406
Recruitment expenses	9,836	702		3,113	13,651	253
Transport allowances	33,181	1,831		16,317	51,329	16,700
Training and development	36,775	2,413		20,460	59,648	39,907
	1,072,138	67,837		812,571	1,952,546	1,794,391
Total expenditures	1,278,231	74,048		950,459	2,302,738	2,212,073

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
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SUPPLEMENTARY PROFIT AND LOSS ACCOUNT
 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2014 (CONT'D)

PROJECTS	Uth	ISP	General	Total	Total
	Powerl	\$	\$	2014	2013
	\$	\$	\$	\$	\$
Surplus/ (deficit) for the year	(434,686)	(74,048)	(17,531)	(526,265)	148,293
Fund balance b/f	-	-	2,487,300	2,487,300	2,339,007
Fund balance c/f	<u>(434,686)</u>	<u>(74,048)</u>	<u>2,469,769</u>	<u>1,961,035</u>	<u>2,487,300</u>

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
 (Unique Entity No. T00SS0043E)
 (IPC No. IPC000150)

**STATEMENT OF CHANGES IN FUND
 FOR THE YEAR ENDED 30 APRIL 2014**

	Unrestricted General fund \$	Designated Uth Power! \$	Designated TSP \$	Designated Building fund \$	Total \$
Balance as at 30 April 2012	2,339,007	-	-	21,926	2,360,933
Surplus for the year	148,293	-	-	-	148,293
Balance as at 30 April 2013	2,487,300	-	-	21,926	2,509,226
Deficit for the year	(17,531)	(434,686)	(74,048)	-	(526,265)
Balance as at 30 April 2014	2,469,769	(434,686)	(74,048)	21,926	1,982,961

The accompanying notes form an integral part of these financial statements

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)
 (Unique Entity No. T00SS0043E)
 (IPC No. IPC000150)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2014

	2014 \$	2013 \$
Cash flows from operating activities		
Net (deficit)/ surplus for the year		148,293
- Accumulated general fund	(17,531)	
- Uth power project fund	(434,686)	
- TSP project fund	(74,048)	
	<u>(526,265)</u>	<u>148,293</u>
Adjustments for:		
- Depreciation	34,660	19,206
- Fixed assets written off	3,486	-
- Fixed deposit interest	(15,188)	(18,723)
- Interest income	(328)	(1,034)
Operating cash flow before working capital changes	<u>(503,635)</u>	<u>147,742</u>
Changes in operating assets and liabilities:		
Other receivables	(45,912)	109,828
Other payables	4,923	(21,779)
Cash generated from operations	<u>(544,624)</u>	<u>235,791</u>
Interest received	328	1,034
Net cash used in operating activities	<u>(544,296)</u>	<u>236,825</u>
Cash flows from financing activities		
Purchases of property, plant and equipment	(113,548)	-
Net cash used in financing activities	<u>(113,548)</u>	<u>-</u>
Cash flows from investing activities		
Fixed deposits interest received	15,188	18,723
Net cash generated from investing activities	<u>15,188</u>	<u>18,723</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(642,656)</u>	<u>255,548</u>
Cash and cash equivalents at beginning of the year	<u>2,452,061</u>	<u>2,196,513</u>
Cash and cash equivalents at end of the year	<u><u>1,809,405</u></u>	<u><u>2,452,061</u></u>
Cash and cash equivalents comprise:		
Cash at bank and on hand	275,468	933,311
Fixed deposits	<u>1,533,937</u>	<u>1,518,750</u>
	<u>1,809,405</u>	<u>2,452,061</u>

The accompanying notes form an integral part of these financial statements

CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE SINGAPORE)

(Unique Entity No. T00SS0043E)

(IPC No. IPC000150)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2014

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 holistic 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the disclosure requirements of the Societies Act (Chapter 311) and Charities Act (Chapter 37).

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The 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 judgment in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.1 Basis of preparation (cont'd)

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 May 2013. The adoption of these standards and interpretations did not have any effect on financial performance or position of the Society.

2.2 Funds

The Society maintains restricted and unrestricted funds. Funds set up for specific purposes are classified as restricted funds. All income and expenses other than those attributable to restricted funds and common overheads are recorded in the unrestricted fund's statement of financial activities.

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Charity, the financial statements of the Charity are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

2.3 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 :

(a) Donations

Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

(b) Grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

(c) Interest income

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

(d) Other income

Other income is recognized when received.

2.4 Cost recognition

All expenditure are accounted for on accrual basis, aggregated under the respective areas. Direct cost 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.

(a) Cost of generating funds from fund-raising activities

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

2.4 Cost recognition (cont'd)

(b) Cost of 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.

(c) Governance and administrative 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.

2.5 Property, plant and equipment

(a) Measurement

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

(b) Depreciation

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

	Useful life
Renovation	5 years
Office equipment	3 years
Electrical equipment	5 years
Computers	3 years
Furniture and fittings	5 years

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

(c) 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.

(d) 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 statement of financial activities.

2.6 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.

2.7 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.

2.8 Financial assets

(a) 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.

(b) Recognition and derecognition

Usual purchases and sales of financial assets are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. On disposal sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the statement of financial activities. Any amount in the fair value reserve relating to that asset is also taken to the statement of financial activities.

2.8 Financial assets (cont'd)

(c) Measurement

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

(d) 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.

2.9 Cash and cash equivalents

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

2.10 Other payables

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

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 Provisions

Provision for the 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.

2.13 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 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.

2.14 Employee compensation

Defined contribution plans

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 leave entitlement

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

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

Critical judgments in applying the entity's accounting policies

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

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

	<u>2014</u> \$	<u>2013</u> \$
Cash at bank and on hand	275,468	933,311
Fixed deposits	<u>1,533,937</u>	<u>1,518,750</u>
	<u>1,809,405</u>	<u>2,452,061</u>

Fixed deposits at the reporting date had an average interest rate from 1.00% to 1.25% (2013 : 1.00% to 1.25%) per annum.

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

5. OTHER RECEIVABLES

	<u>2014</u> \$	<u>2013</u> \$
Grants receivables	87,963	39,481
Deposits	3,073	3,073
Accrued interest receivables	-	333
Prepayments	<u>-</u>	<u>2,237</u>
	<u>91,036</u>	<u>45,124</u>

6. PROPERTY, PLANT AND EQUIPMENT

<u>Cost</u>	Furniture and Office			<u>Total</u> \$
	<u>Computers</u> \$	<u>Fittings</u> \$	<u>equipment</u> \$	
As at 1 May 2012 and 30 April 2013	25,290	28,558	111,349	445,908
Additions	15,323	20,160	840	77,225
Written off	<u>(14,718)</u>	<u>(24,888)</u>	<u>(108,232)</u>	<u>(417,082)</u>
As at 30 April 2014	<u>25,895</u>	<u>23,830</u>	<u>3,957</u>	<u>159,733</u>

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Accumulated depreciation

As at 1 May 2012	12,596	25,544	108,050	417,613	563,803
Charges for the year	8,430	1,018	827	8,931	19,206
As at 30 April 2013	21,026	26,562	108,877	426,544	583,009
Charges for the year	7,365	4,766	1,319	21,210	34,660
Written off	(13,300)	(24,605)	(108,030)	(415,499)	(561,434)
	15,091	6,723	2,166	32,255	56,235

Net book value

30 April 2014	10,804	17,107	1,791	73,796	103,498
30 April 2013	4,264	1,996	2,472	19,364	28,096

7. ACCRUALS

Cash and cash equivalents that are not denominated in the functional currency of the Society are as follows:

Accruals - operating expenses	<u>2014</u>	<u>2013</u>
	\$	\$
	<u>20,978</u>	<u>16,055</u>

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

8. ACCUMULATED GENERAL FUND

Balance at beginning of financial year	<u>2014</u>	<u>2013</u>
(Deficit)/ surplus for the year	\$	\$
	2,487,300	2,339,007
	<u>(17,531)</u>	<u>148,293</u>
Balance at end of financial year	<u>2,469,769</u>	<u>2,487,300</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

Building fund	<u>2014</u>	<u>2013</u>
Balances brought forwards and carried forwards	\$	\$
	<u>21,926</u>	<u>21,926</u>

Building fund represents donations received for the purpose of financing the renovation costs of the Society's office premise - YOUTH CARE Centre.

10. FUNDRAISING ACTIVITIES

	Total proceeds S\$	Total fundraising expenses S\$	Net fund raising income S\$
<u>2013</u>			
Placement of Donation Box - Period from 01 May 2011 to 30 June 2012	9,457	-	9,457
	<u>9,457</u>		<u>9,457</u>

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:

	<u>2014</u>	<u>2013</u>
	\$	\$
Salaries and other short terms employee benefits	431,020	350,096
Post - employment benefits - Contributions to CPF	<u>56,721</u>	<u>46,835</u>
	<u>487,741</u>	<u>396,931</u>

Remuneration band

	<u>2014</u>	<u>2013</u>
	No. of key Management Personnel	No. of key Management Personnel
S\$50,000 - S\$100,000	2	2
S\$100,000 - S\$150,000	<u>2</u>	<u>2</u>
	<u>4</u>	<u>4</u>

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

13. OPERATING LEASE COMMITMENTS

The Society leases an office under non-cancellable operating lease agreement.

Rental expense for the financial year amounted to \$720 (2012: \$60). Future minimum lease payments under non-cancellable operating lease as at date of statement of financial position are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Within one year	720	720
After one year but within five years	<u>2,100</u>	<u>2,820</u>
	<u>2,820</u>	<u>3,540</u>

14. FINANCIAL RISK MANAGEMENT

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

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 operations.

Credit risk

The Society has minimal exposure to credit risks due to the nature of its activities. As at the date of this report, nearly all receivables have been collected.

Currency risk

The Society has minimal exposure to foreign exchange risk as most of its transactions are in Singapore Dollars.

Interest rate risk

The Society's income and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the reporting date.

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

Fair value

As at 30 April 2014, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to their short-term nature.

15. RESERVE POSITION AND POLICY

The Society's reserve position for financial year ended 30 April 2014 is as follows:

	2014 S\$'000	2013 S\$'000	Increase/ (Decrease) %
A Unrestricted Funds			
Accumulated general funds	2,470	2,487	(0.68%)
B Restricted of Designated Funds			
Building funds	22	22	0%
Uth power project fund	(435)	-	N/A
TSP project fund	(74)	-	N/A
C Endowment Fund	N/A	N/A	N/A
D Total Funds	1,983	2,509	(20.96%)
E Total Annual Operating Expenditure	2,302	2,212	4.07%
F Ratio of Funds to Annual Operating Expenditure(A/E)	1.07	1.12	(12.41%)

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.

15. 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 where upon other investment options may be considered.

16. MANAGEMENT OF CONFLICT OF INTEREST

There is no paid staff in the Society's Management Committee.

Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Management Committee member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

17. AUTHORISATION OF FINANCIAL STATEMENTS

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

18. COMPARATIVE FIGURES

The financial statements for the financial year ended 30 April 2013 were audited by another auditor whose report dated 19 November 2013 expressed an unqualified opinion on those statements.