

**KAMPUNG SENANG CHARITY  
AND EDUCATION FOUNDATION**

[Unique Entity No. S99SS0044C]

[IPC No. IPC000198]

[Registered under the Registrar of Societies]

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2013**

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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 23 are drawn up so as to give a true and fair view of the state of affairs of the Society at 30 September 2013, 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

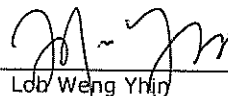
Swee Yong Peng	President
Kong Kian Hau	Vice President
Loh Weng Yhin	Honorary Treasurer
Tan Lee Cher	Honorary Assistant Treasurer
Koh Tieh Koun	Secretary
Kang Zhen Qing	Committee Member
Lim Hui Ling	Committee Member
Phua Luck Kheng	Committee Member
George Martin Jacobs	Committee Member
Woo Chong Weng	Committee Member
Lee Chwee Hoe, Florence	Committee Member
Low Siew Kiang	Committee Member
Huang Ding Yin	Committee Member
Chan Weng Fatt	Committee Member

On behalf of the Management Committee,



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Swee Yong Peng  
President



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Loh Weng Yhin  
Honorary treasurer

Singapore,

## Fiducia LLP

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Independent auditors' report to the members of:

### **KAMPUNG SENANG CHARITY AND EDUCATION FOUNDATION**

[Unique Entity No. S99SS0044C]  
[IPC No. IPC000198]  
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#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Kampung Senang Charity and Education Foundation** (the "Society") set out on pages 5 to 23, which comprise the statement of financial position as at 30 September 2013, 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 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

#### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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:

### **KAMPUNG SENANG CHARITY AND EDUCATION FOUNDATION**

[Unique Entity No. S99SS0044C]  
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#### *Opinion*

In our opinion, 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 30 September 2013, and the results 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 Act 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.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.

#### **Fiducia LLP**

Public Accountants and  
Chartered Accountants of Singapore

Singapore,

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013**

	Note	2013 S\$	2012 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	976,267	834,866
Other receivables	5	115,455	71,264
Held-to-maturity investments	6	<u>100,000</u>	<u>0</u>
		<u>1,191,722</u>	<u>906,130</u>
<b>Non-current assets</b>			
Held-to-maturity investments	6	200,000	439,500
Property, plant and equipment	7	<u>24,833</u>	<u>50,623</u>
		<u>224,833</u>	<u>490,123</u>
<b>Total assets</b>		<u>1,416,555</u>	<u>1,396,253</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals and other payables	8	<u>126,315</u>	<u>122,009</u>
<b>Total liabilities</b>		<u>126,315</u>	<u>122,009</u>
<b>NET ASSETS</b>		<u>1,290,240</u>	<u>1,274,244</u>
<b>ACCUMULATED GENERAL FUNDS</b>		<u>1,290,240</u>	<u>1,274,244</u>

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

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**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	Note	2013 S\$	2012 S\$
<b>INCOME</b>			
Income from generating funds			
– Fund-raising activities	9	53,131	105,562
– Voluntary income	9	918,718	1,110,258
Income from charitable activities	9	319,210	342,990
Other income	9	186,686	126,863
		<u>1,477,745</u>	<u>1,685,673</u>
<b>LESS: EXPENDITURES</b>			
Costs of generating funds	10	89,570	58,247
Costs of charitable activities	10	1,028,810	963,461
Governance and administrative costs	10	343,369	274,613
		<u>1,461,749</u>	<u>1,296,321</u>
<b>NET INCOME</b>		15,996	389,352
<b>ACCUMULATED GENERAL FUNDS BROUGHT FORWARD</b>		<u>1,274,244</u>	<u>884,892</u>
<b>ACCUMULATED GENERAL FUNDS CARRIED FORWARD</b>		<u>1,290,240</u>	<u>1,274,244</u>

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

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

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	Note	2013 S\$	2012 S\$
<b>Cash flows from operating activities</b>			
Net income		15,996	389,352
Adjustments for:			
- Depreciation	7	30,563	38,147
- Gain on disposal of property, plant and equipment		0	(800)
- Interest income	9	<u>(1,480)</u>	<u>(669)</u>
Operating cash flow before working capital changes		45,079	426,030
Changes in operating assets and liabilities:			
- Other receivables		(44,191)	(50,517)
- Accruals and other payables		<u>4,306</u>	<u>9,742</u>
<b>Net cash provided by operating activities</b>		<u>5,194</u>	<u>385,255</u>
<b>Cash flows from investing activities</b>			
Interest received		1,480	669
Purchase of held-to-maturity investments	6	0	(100,000)
Purchases of property, plant and equipment	7	(4,773)	(33,607)
Proceeds from disposal of property, plant and equipment		0	800
Proceeds from held-to-maturity investments		<u>139,500</u>	<u>0</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>136,207</u>	<u>(132,138)</u>
<b>Net increase in cash and cash equivalents</b>		141,401	253,117
Cash and cash equivalents at beginning of financial year		<u>834,866</u>	<u>581,749</u>
<b>Cash and cash equivalents at end of financial year</b>		<u>976,267</u>	<u>834,866</u>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand	4	2,700	7,611
Cash in banks	4	973,567	726,452
Fixed deposits	4	<u>0</u>	<u>100,803</u>
		<u>976,267</u>	<u>834,866</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

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

**1. General information**

Kampung Senang Charity and Education Foundation ("the Society") operates in the Republic of Singapore. The registered office of the Society is located at 88 Bright Hill Road, Singapore 574117. The principal places of activities of the Society are located at:

- a) Block 840 Tampines Street 82, #01-111, Singapore 520840;
- b) Block 254 Tampines Street 21, #01-464, Singapore 521254;
- c) Block 141 Lorong Ah Soo, #01-253, Singapore 530141;
- d) 17J Jalan Hock Chye, Singapore 538203; and
- e) Block 106 Aljunied Crescent, #01-205, Singapore 380106

The objectives of the Society are to serve people and care for mother earth in the spirit of love, compassion, commitment and belief in humanity.

The Society is registered as a society under the Societies Act [Cap. 311] on 11 February 1999 and as a charity organisation under Charities Act, Chapter 37 on 16 June 1999.

The Society has been accorded an Institution of a Public Character ("IPC") status for the period from 1 October 2013 to 30 September 2016.

These financial statements are presented in Singapore Dollar (S\$), 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 Standards ("FRS") and 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.

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. 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 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.



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## **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:

<b><u>FRS</u></b>	<b><u>Effective date</u></b>	<b><u>Title</u></b>
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 20	1.1.2005	Accounting for government grants and disclosure of government assistance
FRS 24	1.1.2011	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 Income 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. Income 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 Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received and all related conditions will be complied with.
- 2.2.3 Income from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.
- 2.2.4 Interest income is recognised on a time-proportion basis using the effective interest method.
- 2.2.5 Other income is recognised when incurred.

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

### **2.3 Expenditure recognition**

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.

#### **2.3.2 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.

#### **2.3.3 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.

### **2.4 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
General equipment	3 years
Computer and software	3 years
Furniture and fittings	3 years
Renovations	3 years
Vehicle	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. Significant accounting policies (Cont'd)**

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

**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 expenditures in the statement of financial activities during the financial year in which it is incurred.

**2.4.4 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.

**2.5 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** The Society classifies its financial assets in the following category: loans and receivables and held-to-maturity investments. 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.

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 reporting 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. Significant accounting policies (Cont'd)**

**2.6 Financial assets (Cont'd)**

**2.6.1 Classification (Cont'd)**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Society's management has the positive intention and ability to hold to maturity. If the Society were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the reporting date, which are presented as current assets.

**2.6.2 Recognition and derecognition**

Usual purchases and sales of financial assets are recognised on trade-date – the date on which the Society 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.

**2.6.3 Initial measurement**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through the profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenditures.

**2.6.4 Subsequent measurement**

Loans and receivables and financial assets, held-to maturity is subsequently carried at amortised cost using the effective interest method.

**2.6.5 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 and recognises an allowance for impairment when such evidence exists.

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.

An allowance for impairment of loans and receivables including other receivables and held-to-maturity investments are 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 or investments.

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

**2.6 Financial assets (Cont'd)**

**2.6.5 Impairment (Cont'd)**

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. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in statement of financial activities.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the recognised cost had no impairment been recognised in prior periods.

**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 are derecognised when the obligations under the liability is discharged, 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**

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

**2.10 Provisions**

Provisions 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 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. Significant accounting policies (Cont'd)**

**2.12 Funds**

Fund balances 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 utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes. There is no restricted fund at the end of the financial year.

**2.13 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 recognised as expenditure in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognised as expenditure in the statement of financial activities in the financial year in which they are incurred.

**2.14 Employee compensation**

2.14.1 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 expenditure when they are due.

2.14.2 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.

**2.15 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.

**3.1 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.

*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**

	2013 S\$	2012 S\$
Cash on hand	2,700	7,611
Cash in banks	973,567	726,452
Fixed deposits	0	100,803
	976,267	834,866

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

**5. Other receivables**

	2013 S\$	2012 S\$
Deposits paid	16,859	17,209
Dividend receivable	6,253	6,442
Interest receivable	0	159
Prepayment	21,295	21,495
Sundry receivable	71,048	25,959
	115,455	71,264

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

**6. Held-to-maturity investments**

	2013 S\$	2012 S\$
NTUC Capital Plus Policy	0	139,500
NTUC Life Assured	200,000	200,000
Step up fixed deposit	100,000	100,000
	300,000	439,500

On a meeting dated 10 October 2012, the Management Committee approved the investment of S\$100,000 on step up fixed deposit with a certain bank for a period of two (2) years from 15 August 2012 to 15 August 2014.

On a meeting dated 13 July 2011, the Management Committee approved the investment of part of the total funds raised from the Boundless Love Gala Dinner amounting to S\$100,000 on NTUC Capital Plus Policy.

On a meeting dated 26 May 2010, the Management Committee approved that two (2) keymen insurance policies will be taken out to insure the lives of co-founders. The insurance was issued on 26 August 2010. At the end of the contract term of 5 years, the insurer will pay the sum assured amounting to S\$210,421 with the bonus, provided that there has been no death or total and permanent disability of the insured. The 2 keymen insurance is assigned to the Society.



**6. Held-to-maturity investments (Cont'd)**

On a meeting dated 30 December 2007, the Management Committee approved that an investment of S\$20,000 and a monthly contribution of S\$500 be made with Aviva Ltd. in the above named unit trust account for at least 5 years. The investment account was duly opened on 2 June 2008. This unit trust invests in Asian and Global equities funds. Capital gains arising from this investment will be used to reward staffs with long-service awards. On a meeting dated 13 July 2011, the Management Committee approved the reinvestment of this account amounting to S\$39,500 to NTUC Capital Plus Policy.

**7. Property, plant and equipment**

	General equipment S\$	Computer and software S\$	Furniture and fittings S\$	Renovations S\$	Vehicle S\$	Total S\$
<b>2013</b>						
<b>Cost</b>						
Beginning of financial year	91,303	45,678	73,743	92,587	130,206	433,517
Additions	1,200	3,573	0	0	0	4,773
Balance at end of year	92,503	49,251	73,743	92,587	130,206	438,290
<b>Accumulated depreciation</b>						
Beginning of financial year	77,356	38,435	70,612	83,172	113,319	382,894
Depreciation charge	5,769	7,552	1,823	4,499	10,920	30,563
Balance at end of year	83,125	45,987	72,435	87,671	124,239	413,457
<b>Net book value</b>	9,378	3,264	1,308	4,916	5,967	24,833

	General equipment S\$	Computer and software S\$	Furniture and fittings S\$	Renovations S\$	Vehicle S\$	Total S\$
<b>2012</b>						
<b>Cost</b>						
Beginning of financial year	96,045	43,033	74,393	86,987	162,066	462,524
Additions	13,522	2,645	0	5,600	11,840	33,607
Disposals	(18,264)	0	(650)	0	(43,700)	(62,614)
Balance at end of year	91,303	45,678	73,743	92,587	130,206	433,517
<b>Accumulated depreciation</b>						
Beginning of financial year	94,001	25,666	69,437	78,317	139,940	407,361
Depreciation charge	1,619	12,769	1,825	4,855	17,079	38,147
Disposals	(18,264)	0	(650)	0	(43,700)	(62,614)
Balance at end of year	77,356	38,435	70,612	83,172	113,319	382,894
<b>Net book value</b>	13,947	7,243	3,131	9,415	16,887	50,623

**8. Accruals and other payables**

	2013 S\$	2012 S\$
Accruals	24,931	19,188
Amount due to a related party	49,075	39,542
Deposits collected in advance	38,335	53,143
Other creditors	10,899	9,236
Sundry payable	3,075	900
	126,315	122,009

Amount due to a related party is unsecured, interest-free and has no fixed terms of repayment.

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

**9. Income**

	2013 S\$	2012 S\$
<b>Income from generating funds</b>		
Fund-raising activities		
- Anniversary income	0	21,698
- Non-tax exempt donations	50,981	54,614
- Tax exempt donations	2,150	29,250
	53,131	105,562
Voluntary income		
- Non-tax exempt donations	494,793	508,711
- Tax exempt donations	297,006	468,386
Grants	126,919	133,161
	918,718	1,110,258
<b>Income from charitable activities</b>		
Child care	146,968	185,165
Child tuition and holiday program	496	532
Child material and others	5,037	3,581
Child Waldorf	300	0
Elderly care	43,795	45,600
HSPC programme	13,430	14,443
Membership fee	20,260	31,990
Neurofeedback	18,760	0
Student care	54,774	44,430
Talks and workshops	730	375
Transport income	14,660	16,874
	319,210	342,990
<b>Other income</b>		
Allocated kitchen expenditures	63,349	60,604
Anniversary income	74,113	11,491
Dividend income	3,744	6,442
Gain on sale of property, plant and equipment	0	800

**9. Income (Cont'd)**

	2013	2012
	S\$	S\$
<b>Other income (cont'd)</b>		
Interest income	1,480	669
Other income	1,637	3,780
Recycling sales	0	1,341
Rental income	25,223	25,157
Service provider allowance	16,900	15,000
Sundry sales	240	1,579
	<u>186,686</u>	<u>126,863</u>

**10. Expenditures**

	Notes	2013	2012
		S\$	S\$
<b>Cost of generating funds</b>			
Advertisement		28,943	3,458
Audit fees		850	1,050
Bank charges		294	273
Cost of event and other activities		39,099	39,142
General expenses		0	214
Kitchen expenses		0	1,051
Meals and refreshments		0	675
Postages		0	91
PR collaterals, branding and marketing		20,384	8,885
Printing and stationery		0	1,450
Transport expenditures		0	148
Volunteer costs		0	1,810
		<u>89,570</u>	<u>58,247</u>
<b>Cost of charitable activities</b>			
Child care costs		0	3,390
Donation expenditure		500	31,492
Farming costs		15,925	16,488
Fines and Penalty		0	200
HSPC vegetables		43,580	45,135
Kitchen expenditures		54,005	49,089
Meals and refreshments		68,730	61,274
Medical costs		11,216	7,031
Rental		102,288	100,359
Staff costs			
- CPF contribution		35,773	31,220
- Foreign workers levy		20,150	18,214
- Insurance		1,662	2,656
- Medical		1,049	2,742
- Recruitment		944	0
- Salaries		457,645	418,620
- SDL		1,011	1,114
- Courses and training		3,822	0
- Welfare		68,925	54,234

**10. Expenditures (Cont'd)**

	Notes	2013 S\$	2012 S\$
<b>Cost of charitable activities (cont'd)</b>			
Student costs		5,272	7,932
Recycling costs		28,100	11,358
Transport expenditures		29,337	25,326
Upkeep of vehicle		16,813	26,370
Utilities		43,468	39,731
Veggie Thursday costs		1,395	6,095
Volunteer costs		17,200	3,391
		<u>1,028,810</u>	<u>963,461</u>
<b>Governance and administrative costs</b>			
Audit fees		5,550	2,250
Bank charges		4,013	2,231
Communication		22,615	17,761
Computer expenditures		1,735	4,843
Depreciation	7	30,563	38,147
Expendable assets		6,682	11,340
General expenditures		1,378	135
Insurance		8,368	7,031
Lease of equipment		14,526	14,474
Legal and professional fees		5,680	0
License and permit expenditures		660	885
Membership and subscription fees		666	1,343
Postages		8,318	8,212
Printing and stationery		29,636	33,541
Repair and maintenance		28,581	16,005
Staff costs			
- CPF contribution		17,930	12,446
- Foreign workers levy		3,192	0
- Insurance		61	1,037
- Medical		70	18
- Salaries		132,341	80,189
- SDL		314	135
- Welfare		9,334	15,090
Staff recruitment		70	1,375
Upkeep of vehicle		11,086	6,125
		<u>343,369</u>	<u>274,613</u>

**11. Operating lease commitments**

As at the reporting date, the Society has commitment for future minimum lease payments under non-cancellable operating leases as follows:

	2013 S\$	2012 S\$
Not later than one year	72,837	82,837
More than a year but not more than five years	58,467	131,304
	<u>131,304</u>	<u>214,141</u>

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**11. Operating lease commitments (Cont'd)**

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

**12. Income tax expenditure**

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.

**13. Related party transactions**

The Society has significant related party transactions with its own social enterprise project, Eco-Harmony Global Network Ltd., a company limited by guarantee as follows, on terms agreed between the parties:

	2013 S\$	2012 S\$
Donations from a related party	65,013	13,635
Receipts collected on behalf of a related party	(394,522)	(249,035)
Reimbursements from a related party	<u>384,990</u>	<u>257,709</u>

On a monthly basis, the Society pays the salary to employees of both the Society and the related party, since only the Society has the payroll GIRO facility. The related party then will reimburse the Society for its employees' salary and other benefits such as: training course fees; meals benefits; etc., paid on behalf of the related party.

The related party also uses the Society's nets and credit cards facilities for receipt of course fees on its workshops on healthy living style that care for self, others and planet earth and yearly Holistic Wellness Symposiums. The Society has full control to deduct whatever owed by the related party.

Furthermore, the Society receives donation from the related party equivalent to sixty percent (60%) of its net profit as stated on its memorandum and articles of association.

None of the members of the Management Committee received any remuneration during the year.

**14. Management of conflict of interest**

There is no paid staff on 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.

**15. Key management personnel compensation**

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

	2013	2012
Number of key management in remuneration bands		
\$50,000 and below	<u>1</u>	<u>1</u>

**16. Reserve policy and position**

The Society's reserve position (excluding non-current assets) for financial year ended 30 September 2013 is as follows:

		2013	2012	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	1,290	1,274	1
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	0	0	0
C	Endowment Funds	0	0	0
D	Total Funds	1,290	1,274	1
E	Total Annual Operating Expenditure	1,462	1,296	13
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.88	0.98	(10)

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 expenditures related to Cost of generating funds, Cost of charitable activities and Governance and administration expenditures.

The Society's Reserve Policy is as follows:

The reserve fund policy is set at 3 months of operation cost.

**17. Financial risk management**

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis.

*Liquidity risk*

The Society manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Management Committee to fund the Society's operations and to mitigate the effects of fluctuations in short-term cash flows.

*Credit risk*

The Society is exposed to credit risk in the event that counterparties fail to perform their obligations, resulting in a financial loss to the Society. The Society has no major concentration of credit risk.

**17. Financial risk management (Cont'd)**

The carrying amount of financial assets recorded in the financial statements represents the Society's maximum exposure to credit risk.

*Other risks*

The Society is not exposed to interest rate risk, as it does not have interest bearing assets or liabilities.

It has no foreign currency risk as it transacts solely in Singapore dollars.

Fair values

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.

**18. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**19. Authorisation of financial statements**

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