



Christian Outreach To The Handicapped

(Incorporated in Singapore)

2009 Annual Report

P G WEE & PARTNERS
Certified Public Accountants Singapore

Organisation information

Society registration number	265/86Rel
Registered office	Blk 414 Tampines Street 41 #01-301 Singapore 520414
Executive committee members	Mr Brian Jenner, President/Chairman Mrs Lois Goh, Vice President Ms Ivy Goh, Honorary Treasurer Rev.K. Steven, Honorary Chaplain/Member Mrs. Elizabeth Liew, Honorary Secretary Mrs Patricia Sabapathy, Member
Advisor	Mrs Patricia Sabapathy
Executive director	Mr Koh Kee Sem, Samuel
Bankers	DBS Bank Ltd Citibank N.A.
Auditors	P G Wee & Partners Certified Public Accountants 79 Anson Road #07-03 Singapore 079906

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Statement by Executive Committee Members

For the year ended 31 December 2009

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37, Recommended Accounting Practice No. 6 (RAP 6) and Singapore Financial Reporting Standards. This responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In our opinion, the financial statements are drawn up so as to give a true and fair view of the state of affairs of the Christian Outreach To The Handicapped ("Centre") as at 31 December 2009 and of the results, changes in funds and statement of cash flows of the Centre for the year ended on that date in accordance with the provisions of the Acts.

The Executive Committee has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Executive Committee Members,

x



Brian Jenner
Chairman

x



Elizabeth Liew
Honorary Secretary

x



Ivy Goh
Honorary Treasurer

Singapore, 19 March 2010



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Independent Auditors' Report to the Executive Committee Members of *Christian Outreach To The Handicapped*

We have audited the financial statements of Christian Outreach To The Handicapped ("Centre") which comprise the statement of financial position as at 31 December 2009, the statement of financial activities, statement of changes in funds and statement of cash flows of the Centre for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Executive Committee Members' responsibility for the financial statements

Executive Committee Members are responsible for the preparation and fair presentation of these financial statements in accordance with Societies Act, Chapter 311, Charities Act, Chapter 37, Recommended Accounting Practice No. 6 (RAP 6) and Singapore Financial Reporting Standards. This responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors consider 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 Executive Committee Members, 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.

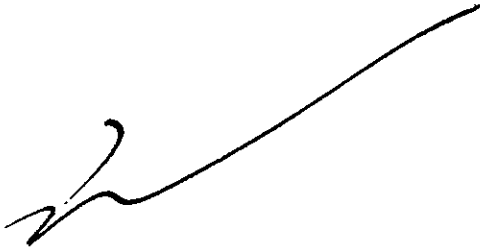
Opinion

In our opinion,

- (a) the financial statements of the Centre are properly drawn up in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37, Recommended Accounting Practice No. 6 (RAP 6) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Centre as at 31 December 2009 and of the results, changes in funds and statement of cash flows of the Centre for the year ended on that date; and
- (b) the accounting and other records required by the Centre have been properly kept in accordance with the Regulations; and

Report on other legal and regulatory requirements

During the course of our audit, nothing came to our notice that caused us to believe that the Centre did not comply with the requirements of regulation 15 (fund-raising expenses) in the Charities (Institutions of a Public Character) Regulations 2007.



P G WEE & PARTNERS
*Public Accountants and
Certified Public Accountants*

Singapore

19 March 2010

1759-09/CHF/tcp

Statement of Financial Activities

For the year ended 31 December 2009

	Note	Restricted funds			Total 2009 SGD	Total 2008 SGD
		Unrestricted funds SGD	Benevolent fund SGD	Building fund and expansion work SGD		
INCOMING RESOURCES						
Voluntary Income						
Donations		630,466	10,621	-	641,087	581,982
Donation – Tree of life project		6,300	-	-	6,300	10,616
Monthly pledges		147,915	-	-	147,915	190,885
Funds Generating Activities						
Flag day		139,911	-	-	139,911	251,804
Youth for causes		7,148	-	-	7,148	8,336
Craft sales		888	-	-	888	2,118
Programme fees		150,039	-	-	150,039	112,367
Interest income		7,299	-	-	7,299	13,916

	Note	Restricted funds						Total 2008 SGD		
		Unrestricted funds		Benevolent fund		Building fund and expansion work			Renovation fund	
		SGD		SGD		SGD			SGD	
CPF contribution and skill development fund		105,818	-	-	-	-	105,818	110,372		
Computer expenses		43,103	-	-	-	-	43,103	-		
CL-home functioning skills		2,296	-	-	-	-	2,296	1,765		
CL-com functioning skills		1,694	-	-	-	-	1,694	4,613		
CLS-com mobility		1,137	-	-	-	-	1,137	-		
CLS-social skills		290	-	-	-	-	290	-		
Cluster outing		3,374	-	-	-	-	3,374	-		
Festive activities		2,911	-	-	-	-	2,911	1,392		
Financial assistance program		10,400	-	-	-	-	10,400	4,800		
Financial assistance to needy		-	3,390	-	-	-	3,390	344		
Household supplies		3,014	-	-	-	-	3,014	4,111		
Printing and stationery		32,084	-	-	-	-	32,084	36,523		
Physiotherapy services		921	-	-	-	-	921	-		
Postage		3,052	-	-	-	-	3,052	927		
Relocation expenses		28,491	-	-	-	-	28,491	-		
Repair and maintenance of										
- Building		5,663	-	-	-	-	5,663	3,511		
- Equipment		2,369	-	-	-	-	2,369	922		
- Land		-	-	-	-	-	-	9		
Rental		29,455	-	-	-	-	29,455	7,772		
Rental of equipment		4,002	-	-	-	-	4,002	3,147		
Resources/ Equipment		2,421	-	-	-	-	2,421	684		

Note	Restricted funds						Total 2009 SGD	Total 2008 SGD	
	Unrestricted funds SGD	Benevolent fund		Building fund and expansion work		Renovation fund			
			SGD	SGD	SGD	SGD			SGD
Special events		3,960	-	-	-	-	3,960	537	
Special olympics		219	-	-	-	-	219	-	
Stationery/ Craft		679	-	-	-	-	679	457	
Salaries and bonus		863,194	-	-	-	-	863,194	902,838	
Staff welfare		50,868	-	-	-	-	50,868	51,379	
Staff training		23,931	-	-	-	-	23,931	6,684	
Subscription		502	-	-	-	-	502	1,463	
Sundry expenses		1,650	-	-	-	-	1,650	676	
Support group expense		91	-	-	-	-	91	-	
SRA – Functional Communication		-	-	-	-	-	-	35	
SRA - Psychosocial Wellness		-	-	-	-	-	-	544	
SRA – Cognitive Functioning		-	-	-	-	-	-	380	
Telephone		4,700	-	-	-	-	4,700	4,079	
TOL for premise		-	-	-	-	-	-	242,406	
Transport and travelling		103,705	-	-	-	-	103,705	104,236	
Tree of Life Project		7,920	-	-	-	-	7,920	2,606	
Utilities		30,653	-	-	-	-	30,653	38,967	
Vehicles									
- Fuel		2,671	-	-	-	-	2,671	1,006	
- Parking		4,689	-	-	-	-	4,689	323	
- Road tax		901	-	-	-	-	901	737	
- Servicing		916	-	-	-	-	916	597	
- Others		382	-	-	-	-	382	12	

Note	Restricted funds				Total 2009 SGD	Total 2008 SGD
	Unrestricted funds SGD	Benevolent fund SGD	Building fund and expansion work SGD	Renovation fund SGD		
Volunteers' allowance/ gifts	6,849	-	-	-	6,849	4,490
Wet market purchases	36,089	-	-	-	36,089	28,649
Others						
- Depreciation of plant and equipment	249,338	-	-	-	249,338	143,164
- Amortisation of deferred capital grant	(185,032)	-	-	-	(185,032)	(90,113)
	1,492,960	3,390	-	-	1,496,350	1,628,342
Administrative Expenses						
Accountancy fee	8,160	-	-	-	8,160	8,160
Auditors' remuneration	2,600	-	-	-	2,600	2,600
Bank charges	3,709	-	-	-	3,709	4,227
Entertainment and refreshment	1,247	-	-	-	1,247	1,746
Insurance	6,237	-	-	-	6,237	6,558
Medical expenses	338	-	-	-	338	535
Professional fees	-	-	-	-	-	950
	22,291	-	-	-	22,291	24,776
Total Expenditure	1,521,664	3,390	-	-	1,525,054	1,658,635
Surplus/(deficit) for the year	68,078	7,231	-	-	75,309	154,635

See accompanying notes to the financial statements

Statement of Financial Position

As at 31 December 2009

	Note	2009 SGD	2008 SGD
Assets			
<i>Non-current assets</i>			
Plant and equipment	7	865,658	564,609
<i>Current assets</i>			
Other receivables	8	54,403	1,478
Other assets	9	37,524	84,922
Cash and cash equivalents	10	1,962,604	1,936,282
		<u>2,054,531</u>	<u>2,022,682</u>
Total assets		<u>2,920,189</u>	<u>2,587,291</u>
Funds and liabilities			
Unrestricted funds		<u>1,301,318</u>	<u>1,321,006</u>
<i>Restricted funds</i>			
Benevolent fund	11	52,136	44,905
Building Fund and Expansion Work	12	857,944	770,178
Renovation fund	13	13,089	13,089
Deferred capital grants	14	650,014	360,450
		<u>1,573,183</u>	<u>1,188,622</u>
Total funds		<u>2,874,501</u>	<u>2,509,628</u>
<i>Current liabilities</i>			
Other payables	15	45,688	77,663
Total funds and liabilities		<u>2,920,189</u>	<u>2,587,291</u>

See accompanying notes to the financial statements

Statement of Changes in Funds

For the year ended 31 December 2009

	Unrestricted funds					Total SGD
	Unrestricted funds SGD	Benevolent fund SGD	Building fund and expansion work SGD	Renovation fund SGD	Deferred capital donations/grants SGD	
Balance as at 1 January 2009	1,321,006	44,905	770,178	13,089	360,450	2,509,628
Net movement during the year	-	7,231	-	-	-	7,231
Surplus for the year	68,078	-	-	-	-	68,078
Amortisation for the year	-	-	-	-	(185,032)	(185,032)
Transfer of funds	(87,766)	-	87,766	-	-	-
Deferred capital grants for the year	-	-	-	-	474,596	474,596
Balance as at 31 December 2009	1,301,318	52,136	857,944	13,089	650,014	2,874,501

Statement of Changes in Funds

For the year ended 31 December 2009

	Unrestricted funds					Total
	Unrestricted funds	Benevolent fund	Building fund and expansion work	Renovation fund	Deferred capital donations/grants	
	SGD	SGD	SGD	SGD	SGD	SGD
Balance as at 1 January 2008	1,166,169	45,107	571,625	13,089	-	1,795,990
Net movement during the year	-	(202)	-	-	-	(202)
Surplus for the year	154,837	-	-	-	-	154,837
Transferred to plant and equipment	-	-	607,935	-	-	607,935
Transferred of deferred capital grant	-	-	(409,382)	-	409,382	-
Amortisation of the year	-	-	-	-	(90,113)	(90,113)
Deferred capital grants for the year	-	-	-	-	41,181	41,181
Balance as at 31 December 2008	1,321,006	44,905	770,178	13,089	360,450	2,509,628

Statement of Cash Flows

For the year ended 31 December 2009

	Note	2009 SGD	2008 SGD
<i>Cash flows from operating activities</i>			
Surplus for the year		68,078	154,837
<i>Adjustments for:</i>			
Amortisation of grant received		(185,032)	(90,113)
Depreciation of plant and equipment		249,338	143,164
Interest income		(7,299)	(13,916)
Gain on disposal of plant and equipment		(5)	-
Operating profit before working capital changes		125,080	193,972
Trade and other receivables		(52,925)	394,063
Other assets		47,398	(8,323)
Other payables		(31,975)	(201,263)
Net cash generated from operating activities		87,578	378,449
<i>Cash flows from investing activities</i>			
Purchase of plant and equipment		(550,387)	(12,032)
Benevolent Fund		7,231	(202)
Interest received		7,299	14,694
Proceed from disposal of plant and equipment		5	-
Net cash (used in)/generated from investing activities		(535,852)	2,460
<i>Cash flows from financing activities</i>			
Government grants received for relocation		474,596	-
Net cash generated from financing activities		474,596	-
Net increase in cash and cash equivalents		26,322	380,909
Cash and cash equivalents at beginning of year		1,936,282	1,555,373
Cash and cash equivalents at end of year	10	1,962,604	1,936,282

See accompanying notes to the financial statements.

Notes to the Financial Statements

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

1. Significant accounting policies

Basis of Accounting

The financial statements of the Centre have been prepared in accordance with applicable Singapore Financial Reporting Standards ("FRS") and Recommended Accounting Practice 6 (RAP 6).

The financial statements expressed in Singapore dollar are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect 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 revenues and expenses during the financial year. Although these estimates are based on Executive Committee Member's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The accounting policies adopted are consistent with those used in the previous financial year except as follows:

Interpretations and amendments to published standards effective in 2009

The following are the new or revised FRS and INT FRS that are relevant to the Centre:

On 1 January 2009, the Centre adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Centre's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

FRS 1 (revised) Presentation of financial statements (effective from 1 January 2009)

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Centre has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning comparative period. There is no restatement of balance sheet as at 1 January 2008 in the current financial year.

Funds

The Centre maintains restricted funds 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.

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Centre operates ("the functional currency"). The financial statements are presented in Singapore dollar, which is the Centre's functional and presentation currency.

Revenue Recognition

Revenue for the Centre comprises the fair value of the consideration received or receivables for rendering of services and donations received. Revenue is recognised as follows:

(a) Rendering of Services

Revenue 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.

(b) Donation

Donations are recognised on receipt basis.

(c) Grant

Grant from other organisations for the purchase of fixed assets are taken to the deferred capital grants account. Deferred capital grants are recognised in the income and expenditure statement over the periods necessary to match the depreciation of the assets purchased with the related grants. On disposal of plant and equipment, the balance of the related grants is recognised in the income statement to match the net carrying amount of plant and equipment disposed off.

Grant in respect of the current year's operating expenses are recognised as income in the same year. Grants which are received but not utilized are included in the Grants Received in Advance account. Grants are accounted for on an actual basis.

(d) Interest Income

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the charity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and thereafter amortising the discount as interest income.

(e) Government grants

Government grants are recognised when they are received. The grants received will be adjusted based on audited number of programme users of day Activity Centre.

Employee Leave Entitlement

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

Retirement Benefit Costs

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

Income Taxes

The organisation is a registered Charity under the Charities Act, Chapter 37 and is exempted from income tax.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Computer	-	3 years
Furniture and fittings	-	2 years
Motor vehicle	-	6 years
Office equipment	-	5 years
Kitchen equipment	-	5 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date.

Fully depreciated assets are retained in the accounts until they are no longer in use.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Impairment of Non-Financial Assets

The Centre assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Centre makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in profit or loss.

Financial Assets

Financial assets are recognised in the balance sheet when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Centre commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Impairment of Financial Assets

The Centre assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Centre considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss .

Cash and Cash Equivalents

This includes cash on hand and deposits with financial institutions.

Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is extinguished.

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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) is recognised in profit or loss 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 an expenses in the period in which termination takes place.

Critical Judgements, Assumptions and Estimation Uncertainties

The preparation of the Centre's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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:

Useful Lives of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management committees anticipate the useful lives of these plant and equipment to be within 2 to 6 years. The carrying amount of the Centre's plant and equipment at 31 December 2009 is SGD 865,658 (2008: SGD 564,609). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2. *Charity information* Christian Outreach To The Handicapped's registered office and principal place of business is located at Blk 414 Tampines Street 41 #01-301 Singapore 520414.

Christian Outreach To The Handicapped is registered as a charity under the Charities Act, Chapter 37 on 27 March 1987 and has accorded the status of an Institution of a Public Character (IPC) for the period from 1 July 2007 to 30 June 2012.

The principal activities of the Centre are as follows:

- a) to provide holistic learning through recreational, social, Bible-based instructions and economic help to disabled people as a whole person and the family unit as the main building block of society;
- b) encourage and train volunteers to work with the disabled in the area of spiritual and physical education;
- c) operate facilities to minister to the needs of the disabled;
- d) cooperate, coordinate, complement and network with the recognised bodies, religious organisations, para-church groups, welfare agencies, government or private with the aim to meet its objective; and
- e) do all such things as are necessary, incidental or conducive to the attainment of the objects.

3. *Government grants* The amount relates to government grants received from Ministry of Community Development, Youth and Sports under the Government Financial Assistance for Recurrent Expenditure Scheme.

4. *Donations received* General donations include tax-deductible receipts of SGD 793,447 (2008: SGD 919,740).

<i>5. Employee benefits expense</i>	2009	2008
	SGD	SGD
CPF contribution and Skills Development Fund	105,818	110,372
Medical expenses	338	535
Salaries and bonus	863,194	902,838
Staff welfare	50,868	51,379
Staff training	23,931	6,684
	1,044,149	1,071,808

6. *Income tax benefit (expense)* The Centre is a registered charity under the Charities Act 1982 and is exempted from income tax under Section 13U of the Income Tax Act.

7. Plant and equipment

	Computer	Therapy equipment	Furniture, fixtures and fittings	Motor vehicles	Office equipment	Kitchen equipment	Renovation	Total
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Cost								
At 1.1.2008	19,170	-	13,968	51,493	18,282	2,047	-	104,960
Transfer from building fund and expansion work	-	-	-	-	-	-	607,935	607,935
Additions	3,713	-	-	41,181	5,025	399	2,895	53,213
At 31.12.2008 and 1.1.2009	22,883	-	13,968	92,674	23,307	2,446	610,830	766,108
Additions	22,410	9,610	-	-	7,905	-	510,462	550,387
Disposals	(7,749)	-	(13,968)	-	(16,360)	(874)	-	(38,951)
At 31.12.2009	37,544	9,610	-	92,674	14,852	1,572	1,121,292	1,277,544
Accumulated Depreciation								
At 1.1.2008	13,961	-	13,968	11,440	17,156	1,810	-	58,335
Depreciation for year	2,881	-	-	16,816	1,239	62	122,166	143,164
At 31.12.2008 and 1.1.2009	16,842	-	13,968	28,256	18,395	1,872	122,166	201,499
Depreciation for year	4,631	1,341	-	16,816	2,158	134	224,258	249,338
Disposals	(7,749)	-	(13,968)	-	(16,360)	(874)	-	(38,951)
At 1.1.2009	13,724	1,341	-	45,072	4,193	1,132	346,424	411,886
Net carrying amount								
At 31.12.2009	23,820	8,269	-	47,602	10,659	440	774,868	865,658
At 31.12.2008	6,041	-	-	64,418	4,912	574	488,664	564,609

8. <i>Other receivables</i>	2009	2008
	SGD	SGD
Interest receivable	660	1,478
Other receivables	53,743	-
	<u>54,403</u>	<u>1,478</u>

Other receivables included an amount of SGD 52,947 in respect of fund receivable for financial assistance from government toward relocation expenses.

9. <i>Other assets</i>	2009	2008
	SGD	SGD
Deposits	14,790	66,132
Prepayments	22,734	18,790
	<u>37,524</u>	<u>84,922</u>

10. <i>Cash and cash equivalents</i>	2009	2008
	SGD	SGD
Fixed deposits with banks	861,579	853,920
Cash and bank balances	1,101,025	1,082,362
	<u>1,962,604</u>	<u>1,936,282</u>

Fixed deposit bears interest at 0.30% to 0.50% (2008: 0.55% to 1.42%) and mature with varying dates within 6 to 12 months (2008: 3 to 12 months) from the financial year end.

11. <i>Benevolent fund</i>	2009	2008
	SGD	SGD
Balance at beginning of year	44,905	45,107
Amount utilised during the year	(3,390)	(344)
Donations received during the year	10,621	142
Balance at end of year	<u>52,136</u>	<u>44,905</u>

The fund is set aside for assistance to needy clients and their families.

<i>12. Building fund and expansion work</i>	2009	2008
	SGD	SGD
Balance at beginning of year	770,178	571,625
Capital work-in-progress	-	(2,895)
Amount transferred to plant and equipment (note 7)	-	610,830
Amount transferred to deferred capital grant (note 14)	-	(409,382)
Amount transferred from accumulated fund	87,766	-
	857,944	770,178

The fund is set aside for purpose of purchasing of premises or expansion work in the future.

13. Renovation fund The fund is set aside for renovation purposes.

<i>14. Deferred capital donations/grants</i>	2009	2008
	SGD	SGD
Cost		
At beginning of year	450,563	-
Amount transferred from building fund and expansion work (note 12)	-	409,382
Amount in current year	474,596	41,181
	925,159	450,563
Accumulated amortisation		
Amount at beginning of year	90,113	-
Amortisation for the year	185,032	90,113
	275,145	90,113
Net carrying amount	650,014	360,450

Deferred capital donations/grants relate to donations received for the purchase of motor vehicles and renovation amounting to SGD 41,181 and SGD 883,978 respectively from year 2007 to 2009. Donations related to assets are transferred to the balance sheet and amortised over the useful lives of depreciable asset.

<i>15. Other payables</i>	2009	2008
	SGD	SGD
Accrued liabilities	45,688	21,731
Other payables	-	55,932
	45,688	77,663

16. Operating lease commitments At the balance sheet date, the Centre was committed to making the following lease rental payments in respect of rental of a photocopier:

	2009	2008
	SGD	SGD
<i>Rental payable</i>		
Not later than one year	4,140	4,460
Later than one year but not later than five years	18,700	10,940
	22,840	15,400

17. Key management remuneration The top three key management personnel earn less than SGD 100,000 per year.

<i>18. Reserve policy</i>	2009	2008
	SGD	SGD
Unrestricted fund	1,301,318	1,321,006
Ratio of Reserves to Annual Operating Expenditure	0.85	0.80

The reserves of the Centre provide financial stability and the means for the development of the Centre's activities. The Centre intends to maintain the reserves at a level sufficient for its operating needs. The Executive Committee Members reviews the level of reserves regularly for the Centre's continuing obligations.

19. Financial risk management objectives and policies

The main risks from the Centre's financial instruments are liquidity risk, credit risk and cash flow and fair value of interest rate risk. The policies for managing each of these risks are summarised below:

Liquidity Risk

Liquidity risk is the risk that the Centre will not be able to meet its financial obligations as and when they fall due. The Centre's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Centre reviews its working capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

At the balance sheet date, all of the Centre's financial liabilities will mature in less than one year based on the carrying amount reflected in the financial statements.

Credit Risk

Credit risk the risk that one party to a financial instrument will fail to discharge an obligation and cause the Centre to incur a financial loss.

The carrying amounts of cash at banks and fixed deposits and other receivables represent the Centre's maximum exposure to credit risk. Cash at banks and fixed deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies.

No other financial assets carry a significant exposure to credit risk.

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Centre's exposure to changes in interest rates relates primarily to the Centre's fixed deposits with financial institution at variable rates. Information relating to the Centre's interest rate exposure is also disclosed in Note 10. Variation in short-term interest rate is not expected to have a material impact on the results of the Centre.

The sensitivity analysis below has been determined based on the exposure to interest rates for fixed deposits place with financial institution at the financial position date. A 0.5% increase or decrease is used when reporting interest rate risk internally and represents management assessment of the reasonably possible change in interest rates.

If interest rates had been 0.5% higher/lower with all variables held constant, the impact on the Centre's profit or loss is not material.

20. Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

21. *Comparative figures* During the financial year, the Centre reclassified funds under restricted and unrestricted funds. Comparative figures was reclassified to confirm with current year's presentation.

22. *New accounting standards and FRSs interpretations* At the date of authorisation of these financial statements, certain FRSs and INT FRSs were issued but not effective as follows:

Reference	Description	Effective for annual periods beginning on or after
Amendments to FRS 27	Consolidated and Separate Financial Statements	1 July 2009
Amendments to FRS 39	Financial Instruments: Recognition and Measurement - Amendments relating to eligible hedged items	1 July 2009
Amendments to FRS 101	First-time Adoption of Financial Reporting Standards	1 July 2009
Revision to FRS 103	Business Combinations	1 July 2009
FRS 105	Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
INT FRS 117	Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118	Transfer of Assets from Customers	1 July 2009
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	1 January 2010
Improvements to FRSs issued in 2009:		
Amendments to FRS 38	Intangible Assets	1 July 2009
Amendments to FRS 102	Share-based Payment	1 July 2009
Amendments to INT FRS 109	Reassessment of Embedded Derivatives	1 July 2009
Amendments to INT FRS 116	Hedges of a Net Investment in a Foreign Operation	1 July 2009
Amendments to FRS 1	Presentation of Financial Statements	1 January 2010
Amendments to FRS 7	Statement of Cash Flows	1 July 2009
Amendments to FRS 17	Leases	1 July 2009
Amendments to FRS 36	Impairment of Assets	1 July 2009
FRS 39	Financial Instruments: Recognition and Measurement	1 July 2009

Reference	Description	Effective for annual periods beginning on or after
Amendments to FRS 105	Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
Amendments to FRS 108	Operating Segments	1 July 2009

The Centre expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the year of initial application.