



**Christian Outreach To The Handicapped**

Unique Entity Number : S87SS0014H

*(Registered in Singapore)*

*2010 Annual Report*

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

## ***Organisation Information***

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Unique Entity Number	S87SS0014H
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. Dr. 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 2010*

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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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; 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 (“Charity”) as at 31 December 2010 and of the results, changes in funds and statement of cash flows of the Charity 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,



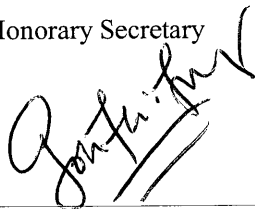
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Brian Jenner  
Chairman



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Mrs. Elizabeth Liew  
Honorary Secretary



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Ivy Goh  
Honorary Treasurer

Singapore, 8 April 2011



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

**Report on the Financial Statements**

We have audited the accompanying financial statements of Christian Outreach To The Handicapped ("Charity") which comprise the statement of financial position as at 31 December 2010, the statement of financial activities, statement of changes in funds and statement of cash flows of the Charity for the year then ended, and a summary of significant accounting policies and other explanatory information.

***Executive Committee Members' Responsibility for the Financial Statements***

Executive Committee Members are responsible for the preparation of financial statements that give a true and fair view in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37, Recommended Accounting Practice No. 6 (RAP 6) 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 statement of financial position and to maintain accountability of assets.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 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, the financial statements 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 and so as to give a true and fair view of the state of affairs of the Charity as at 31 December 2010 and of the results, changes in funds and statement of cash flows of the Charity for the 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 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 to cause us to believe that:

- (a) the fund-raising appeals conducted by the charity during the year were not carried out in accordance with Regulation 6 of the Charities (Fund-raising appeal) Regulation 2007 and proper accounts and other records have been kept for the fund-raising appeals.
- (b) the total fund-raising expenses of the entity does not exceed 30% of the total gross receipts from fund-raising.



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

*Singapore*

8 April 2011

1759-10/CYS/ysh

## ***Statement of Financial Activities***

*For the year ended 31 December 2010*

	Note	Total 2010 SGD	Total 2009 SGD
<b>INCOMING RESOURCES</b>			
<b>Voluntary Income</b>			
Donations		569,004	641,087
Donations - overfunding in previous year		(9,058)	-
Monthly pledges		96,777	147,915
<b>Funds Generating Activities</b>			
Craft sales		1,173	888
Flag day		334,659	139,911
Tree of life project		11,373	6,300
Youth For Causes		554	7,148
Programme fees		153,788	150,039
<b>Interest income</b>			
Interest income		4,870	7,299
<b>Other income</b>			
Miscellaneous income		269,787	95,405
Gain on disposal of plant and equipment		-	5
<b>Grants and Transfer</b>			
Government grants	3	528,104	404,366
		<u>1,961,031</u>	<u>1,600,363</u>
<b>Expenditure</b>			
<b>Cost of Fund Generating Activities</b>			
Flag day		2,719	610
Project expenses		835	-
Tree of life project		5,721	7,920
Youth for causes		-	5,059
		<u>9,275</u>	<u>13,589</u>

**Cost of Charitable Activities**

Activity of daily living	<b>1,105</b>	1,083
Annual camp	-	428
Annual home visits	<b>118</b>	79
Class expenses	<b>200</b>	744
CPF contribution and Skills Development Fund	<b>93,154</b>	105,818
Computer expenses	<b>62</b>	43,103
CLS – home functioning skills	<b>2,351</b>	2,296
CLS – community functioning skills	<b>657</b>	1,694
CLS – community mobility	<b>743</b>	1,137
CLS – social skills	<b>246</b>	290
Cluster outing	<b>5,075</b>	3,374
Festive activities	<b>6,718</b>	2,911
Financial assistance program	<b>11,700</b>	10,400
Financial assistance to needy	<b>4,408</b>	3,390
Household supplies	<b>2,401</b>	3,014
Printing and stationery	<b>28,826</b>	32,084
Physiotherapy services	<b>1,337</b>	921
Postage	<b>1,069</b>	3,052
Monthly bible focus	<b>10</b>	-
Relocation expenses	-	28,491
Repair and maintenance of		
- Building	<b>5,862</b>	5,663
- Equipment	<b>5,571</b>	2,369
Rental	<b>31,367</b>	29,455
Rental of equipment	<b>4,280</b>	4,002
Resources/Equipment	<b>141</b>	2,421
Special events	<b>3,618</b>	3,960
Special olympics	-	219
Stationery	<b>483</b>	679
Salaries and bonus	<b>798,951</b>	863,194
Staff welfare	<b>47,616</b>	50,868
Staff training	<b>3,348</b>	23,931
Subscription	<b>332</b>	502
Sundry expenses	<b>749</b>	1,650
Support group expenses	<b>461</b>	91
Telephone	<b>4,287</b>	4,700
Transport and travelling	<b>106,376</b>	103,705



Utilities	<b>35,993</b>	30,653
Vehicles		
- Fuel	<b>3,156</b>	2,671
- Parking	<b>4,443</b>	4,689
- Road tax	<b>1,102</b>	901
- Servicing	<b>533</b>	916
- Others	<b>656</b>	382
Volunteers' allowance/gifts	<b>5,872</b>	6,849
Wet market purchases	<b>38,098</b>	36,089
Others		
- Depreciation of plant and equipment	<b>257,964</b>	249,338
- Amortisation of deferred capital grant	<b>(185,032)</b>	(185,032)
	<b>1,336,407</b>	1,489,174
<b>Administrative Expenses</b>		
Accountancy fee	<b>8,160</b>	8,160
Auditors' remuneration	<b>2,600</b>	2,600
Bank charges	<b>6,370</b>	3,709
Entertainment and refreshment	<b>604</b>	1,247
Insurance	<b>8,467</b>	6,237
Medical expenses	<b>12,723</b>	338
Professional fees	<b>1,400</b>	-
	<b>40,324</b>	22,291
<b>Total Expenditure</b>	<b>1,386,006</b>	1,525,054
<b>Surplus for the year</b>	<b>575,025</b>	75,309

*See accompanying notes to the financial statements.*

## Statement of Financial Position

As at 31 December 2010

	Note	2010 SGD	2009 SGD
<b>Assets</b>			
<i>Non-current assets</i>			
Plant and equipment	7	616,245	865,658
<i>Current assets</i>			
Other receivables	8	52,887	54,403
Other assets	9	27,219	37,524
Cash and cash equivalents	10	2,596,146	1,962,604
<b>Total current assets</b>		<b>2,676,252</b>	2,054,531
<b>Total assets</b>		<b>3,292,497</b>	2,920,189
<b>Funds</b>			
<i>Unrestricted fund</i>			
General fund		1,582,745	1,301,318
<i>Designated funds</i>			
Benevolent fund	11	241,010	52,136
Caregiver support and training funds	12	104,724	-
<i>Restricted funds</i>			
Building fund and expansion work	13	857,944	857,944
Renovation fund	14	13,089	13,089
Deferred capital grants	15	464,982	650,014
		<b>1,336,015</b>	1,521,047
Total funds		<b>3,264,494</b>	2,874,501
<i>Current liabilities</i>			
Other payables	16	28,003	45,688
<b>Total fund and liabilities</b>		<b>3,292,497</b>	2,920,189

See accompanying notes to the financial statements.

## Statement of Changes in Funds

For the year ended 31 December 2010

	Unrestricted fund		Designated funds			Restricted funds			Total	
	General fund	Benevolent fund	Caregiver Support and Training Funds	Building fund and expansion work	Renovation fund	Deferred capital donations/grants				
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Balance as at 1 January 2010	1,301,318	52,136	-	857,944	13,089	650,014				2,874,501
Surplus for the year	547,359	22,666	5,000	-	-	-				575,025
Amortisation for the year	-	-	-	-	-	(185,032)				(185,032)
Transfer of funds	(265,932)	166,208	99,724	-	-	-				-
Balance as at 31 December 2010	1,584,745	241,010	104,724	857,944	13,089	464,982				3,266,494
Balance as at 1 January 2009	1,321,006	44,905	-	770,178	13,089	360,450				2,509,628
Surplus for the year	68,078	7,231	-	-	-	-				75,309
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

See accompanying notes to the financial statements.

## Statement of Cash Flows

For the year ended 31 December 2010

	Note	2010 SGD	2009 SGD
<i>Cash flows from operating activities</i>			
Surplus for the year		547,359	68,078
<i>Adjustments for:</i>			
Amortisation of grand received		(185,032)	(185,032)
Depreciation of plant and equipment		257,964	249,338
Interest income		(4,870)	(7,299)
Gain on disposal of plant and equipment		-	(5)
Operating surplus before working capital changes		615,421	125,080
Other receivables		1,515	(52,925)
Other assets		10,305	47,398
Other payables		(17,684)	(31,975)
Net cash generated from operating activities		609,557	87,578
<i>Cash flows from investing activities</i>			
Purchase of plant and equipment		(8,551)	(550,387)
Benevolent fund		22,666	7,231
Caregiver support and training funds		5,000	-
Interest received		4,870	7,299
Proceeds from Disposal of Plant and Equipment		-	5
Net cash generated from/(used in) investing activities		23,985	(535,852)
<i>Cash flows from financing activities</i>			
Government grants received		-	474,596
Net cash generated from financing activities		-	474,596
Net increase in cash and cash equivalents		633,542	26,322
Cash and cash equivalents at beginning of year		1,962,604	1,936,282
Cash and cash equivalents at end of year	10	2,596,146	1,962,604

See accompanying notes to the financial statements.

## ***Notes to the Financial Statements***

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

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### ***1. Significant Accounting Policies***

#### **Basis of Accounting**

The financial statements of the Charity have been prepared in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37, Recommended Accounting Practice No. 6 and Singapore Financial Reporting Standards (“FRS”).

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 Members' best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

#### **Interpretations and Amendments to Published Standards Effective in 2010**

On 1 January 2010, the Charity adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date. Changes to the Charity's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or revised FRS and INT FRS that are relevant to the Charity.

#### **Amendment to FRS 7 Statement of Cash Flows (effective from 1 January 2010)**

Under the amendment, only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Previously, such expenditure could be classified as investing activities in the statement of cash flows.

#### **Funds**

The Charity 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 charity operates (“the functional currency”). The financial statements are presented in Singapore dollar, which is the charity functional and presentation currency.

#### Revenue Recognition

Revenue for the charity 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.

### 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.

### 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 statement of financial position.

### 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.

### Income Taxes

The C.O.H. 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 statement of financial position 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 the profit or loss.

#### Impairment of Non-Financial Assets

The charity 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 charity 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 statement of financial position when, and only when, the charity 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 and loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the charity 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 charity assesses at each statement of financial position 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 charity 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.

### Capital Donations/Grants

Donations and grants from other organisations for the purchase of fixed assets are taken to the Deferred Capital Donations/Grants account. Deferred Capital Donations/Grants are recognised in the profit or loss over the periods necessary to match the depreciation of the assets purchased with the related grants. On disposed of fixed assets, the balance of the related grants is recognised in the profit or loss to match the net book value of fixed assets disposed off.

Donations and grants in respect of the current year's operating expenses are recognised as income in the same year. Donations and grants which are received but not utilized are included in the Donations and Grants, received in Advance account. Grants are accounted for on an accrual basis.

#### Financial Liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the charity 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 method.

Gains and losses are recognised 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 statement of financial position date and adjusted to reflect the current best estimate.

#### Critical Judgements, Assumptions and Estimation Uncertainties

The preparation of the charity 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 statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### 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 Charity's plant and equipment at 31 December 2010 is SGD 616,245 (2009: SGD 865,658). 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. *Corporate Information*

Christian Outreach To The Handicapped 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*

This 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 SGD 910,595 receipts of (2009: SGD 793,447).

5. *Employee benefits expenses*

	<b>2010</b>	2009
	<b>SGD</b>	SGD
CPF contribution and Skills Development Fund	<b>93,154</b>	105,818
Medical expenses	<b>12,723</b>	338
Salaries and bonus	<b>798,951</b>	863,194
Staff welfare	<b>47,616</b>	50,868
Staff training	<b>3,348</b>	23,931
	<b>955,792</b>	1,044,149

6. *Income Tax Benefit (expense)*

The C.O.H. 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
<b>Cost</b>								
At 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 and 1.1.2010	37,544	9,610	-	92,674	14,852	1,572	1,121,292	1,277,544
Additions	-	5,337	3,214	-	-	-	-	8,551
At 31.12.2010	<b>37,544</b>	<b>14,947</b>	<b>3,214</b>	<b>92,674</b>	<b>14,852</b>	<b>1,572</b>	<b>1,121,292</b>	<b>1,286,095</b>
<b>Accumulated Depreciation</b>								
At 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 31.12.2009 and 1.1.2010	13,724	1,341	-	45,072	4,193	1,132	346,424	411,886
Depreciation for year	<b>10,010</b>	<b>2,812</b>	<b>437</b>	<b>16,816</b>	<b>3,497</b>	<b>134</b>	<b>224,258</b>	<b>257,964</b>
At 31.12.2010	<b>23,734</b>	<b>4,153</b>	<b>437</b>	<b>61,888</b>	<b>7,690</b>	<b>1,266</b>	<b>570,682</b>	<b>669,850</b>
<b>Net carrying amount</b>								
At 31.12.2010	<b>13,810</b>	<b>10,794</b>	<b>2,777</b>	<b>30,786</b>	<b>7,162</b>	<b>306</b>	<b>550,610</b>	<b>616,245</b>
At 31.12.2009	23,820	8,269	-	47,602	10,659	440	774,868	865,658

8. <i>Other receivables</i>	2010	2009
	SGD	SGD
Donation receivables	<b>51,413</b>	-
Grant receivable	-	52,947
Interest receivable	<b>1,474</b>	660
Other receivables	-	796
	<b>52,887</b>	54,403

Donation receivables included an amount of SGD 31,413 and SGD 20,000 in respect of fund receivable from Singapore Totalisator Board Social Service Fund toward financial assistance operation expenses and flag day donation respectively.

Grant receivable represented fund receivables for financial assistance from government toward relocation expenses.

9. <i>Other Assets</i>	2010	2009
	SGD	SGD
Deposits	<b>6,578</b>	14,790
Prepayments	<b>20,641</b>	22,734
	<b>27,219</b>	37,524

10. <i>Cash and cash equivalents</i>	2010	2009
	SGD	SGD
Fixed deposits with banks	<b>865,405</b>	861,579
Cash and bank balances	<b>1,730,741</b>	1,101,025
	<b>2,596,146</b>	1,962,604

Fixed deposit bears interest at 0.25% to 3% (2009: 0.30% to 0.50%) mature with varying dates within 6 to 12 months (2009: 6 to 12 months) from the financial year end.

11. <i>Benevolent fund</i>	2010	2009
	SGD	SGD
Balance at beginning of year	<b>52,136</b>	44,905
Amount utilised during the year	<b>(4,408)</b>	(3,390)
Donations received during the year	<b>27,074</b>	10,621
Transfer from general fund	<b>166,208</b>	-
Balance at end of year	<b>241,010</b>	52,136

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

12. Caregiver Support and Training fund	2010	2009
	SGD	SGD
Donation	5,000	-
Transferred from general fund	99,724	-
	<u>104,724</u>	<u>-</u>

The fund is set aside for caregivers with subsidies to attend training that build their capabilities in caring for the physical and social emotional needs of their dependants.

13. Building fund and expansion work	2010	2009
	SGD	SGD
Balance at beginning of year	857,944	770,178
Amount transferred from general fund	-	87,766
	<u>857,944</u>	<u>857,944</u>

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

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

15. Deferred capital donations/grants	2010	2009
	SGD	SGD
<b>Cost</b>		
At beginning of year	925,159	450,563
Amount in current year	-	474,596
	<u>925,159</u>	<u>925,159</u>
<b>Accumulated amortisation</b>		
Amount at beginning of year	275,145	90,113
Amortisation for the year	185,032	185,032
	<u>460,177</u>	<u>275,145</u>
	<u>464,982</u>	<u>650,014</u>

Deferred capital donations/grants related 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 statement of financial position amortised over the useful lives of depreciable asset.

<i>16. Other payables</i>	<b>2010</b>	2009
	<b>SGD</b>	SGD
Accrued liabilities	<b>28,003</b>	45,688

<i>17. Operating lease commitments</i>	At the statement of financial position date, the charity was committed to making the following lease rental payments in respect of rental of a photocopier:	
	<b>2010</b>	2009
	<b>SGD</b>	SGD
Rental payable		
Not later than one year	<b>4,140</b>	4,140
Later than one year but not later than five years	<b>14,560</b>	18,700
	<b>18,700</b>	22,840

<i>18. Key management remuneration</i>	The top three key management personnel earn less than SGD 100,000 per year.	
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<i>19. Reserve policy</i>	<b>2010</b>	2009
	<b>SGD</b>	SGD
Unrestricted fund	<b>1,928,479</b>	1,353,454
Ratio of Reserves to Annual Operating Expenditure	<b>1.39</b>	0.89

The reserves of the charity provide financial stability and the means for the development of the charity activities. The charity 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 charity continuing obligations.

20. *Financial risk management objectives and policies*

The main risks from the charity 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 Charity will not be able to meet its financial obligations as and when they fall due. The Charity exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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

At the statement of financial position date, all of the charity financial liabilities will mature in less than one year based on the carrying amount reflected in the financial statements.

Credit Risk

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

The carrying amounts of cash at banks and fixed deposits and other receivables represent the Charity 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 Charity's exposure to changes in interest rates relates primarily to the Charity's fixed deposits with financial institution at variable rates. Information relating to the Charity'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 Charity.

The sensitivity analysis below has been determined based on the exposure to interest rates for fixed deposits placed 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 Committee's 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 Charity's profit or loss is not material.



21. *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.
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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
Revised FRS 24	Related Party Disclosures	1 January 2011
FRS 32	Financial Instruments: Presentation – Classification of Right Issues	1 February 2010
INT FRS 114	Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115	Agreements for the Construction of Real Estate	1 January 2011
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

Except for the revised FRS 24, the management expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

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23. *Authorisation of Financial Statements for Issue* The financial statements for year ended 31 December 2010 were authorised for issue in accordance with a resolution of the Committee Members on 8 April 2011.