HELP FAMILY SERVICE CENTRE

REGISTRATION NO. 123/91WEL

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2008

HELP FAMILY SERVICE CENTRE
REGISTRATION NO. 123/91WEL

REPORT BY MANAGEMENT COMMITTEE

In our opinion, the balance sheet, statement of income and expenditure, statement of changes in fund and cash flows, together with the notes thereto, set out on pages 3 to 12 are drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Centre as at 31 March 2008 and of the income and expenditure, statement of changes in fund and cash flows of the Centre for the financial year then ended.

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

For & on behalf of the
Management Committee

YONG KWET LEONG
President

ALIICE CHUI SHOK HAN
Honorary Treasurer

李啟明會計公司
K B LEE & CO
CERTIFIED PUBLIC ACCOUNTANTS

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AUDITORS' REPORT TO THE MEMBERS OF HELP FAMILY SERVICE CENTRE

Report on the Financial Statements
We have audited the accompanying financial statements of HELP FAMILY SERVICE CENTRE (the "Centre") set out on pages 3 to 12, comprising the balance sheet for the year ended 31 March 2008, and the income & expenditure statement, statement of changes in fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes :

(a) 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 income statements and balance sheets and to maintain accountability of assets ;
(b) selecting and applying appropriate accounting policies ; and
(c) 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Centre as at 31 March 2008 and the results, changes in fund and cash flows of the Centre for the year ended on that date.

Report on other Legal and Regulatory Requirements
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 has been exceeded.

K B LEE & CO
CERTIFIED PUBLIC ACCOUNTANTS

HELP FAMILY SERVICE CENTRE
Registration No. 123/91WEL

BALANCE SHEET AS AT 31 MARCH 2008

	Note	2008 S$	2007 S$
ASSETS LESS LIABILITIES			
Non-current asset			
Plant & equipment	3	8,420	18,940
Current assets			
Other receivables	4	5,192	13,417
Fixed deposits	5	111,607	111,057
Cash and bank balances		68,570	55,111
		185,369	179,585
Current liability			
Accruals and other payables	6	34,263	23,701
Net current assets		151,106	155,884
		159,526	174,824
Accumulated fund		8,828	(2,842)
Designated project fund	8	148,336	161,241
Assets capitalisation reserve	9	2,019	16,082
Programme development fund	10	343	343
		159,526	174,824

HELP FAMILY SERVICE CENTRE
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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 S$	2007 S$
Income			
Contribution from Community Chest of Singapore		656,577	601,012
Interest from fixed deposits and savings account		709	1,064
Others		1,475	1,807
		658,761	603,883
Expenditure			
Audit fee		2,700	2,500
Communications		6,875	4,634
CPF contribution		59,343	51,430
Depreciation		1,131	46
Insurance		956	951
Maintenance			
- equipment		1,114	1,502
- building		3,071	3,759
Miscellaneous		2,603	1,451
Other staff benefits		10,448	11,737
Professional fees		0	540
Provision for unconsumed leave		(239)	(5,819)
Public education expenses		9,901	5,108
Rental - HDB		10,058	9,916
Research & development, training & consultancy		358	0
Rental of equipment		3,137	4,308
Salaries and related costs		484,244	463,510
Staff training		13,630	9,136
Supplies and materials		25,760	15,147
Transport		5,349	4,736
Utilities		6,652	6,376
		647,091	590,968
Surplus transferred to accumulated fund	7	11,670	12,915

HELP FAMILY SERVICE CENTRE
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STATEMENT OF CHANGES IN FUND FOR THE YEAR ENDED 31 MARCH 2008

		Total S$	Accumulated Fund S$	Designated Project Fund S$	Programme Development Fund S$
Balance at 31-03-2006		107,526	(7,442)	114,625	343
Donation received		54,014	0	54,014	0
Payment of specific project costs		(7,398)	0	(7,398)	0
Surplus for the year (Note 7)		12,915	12,915	0	0
Overstatement of income in prior year		(8,315)	(8,315)	0	0
Balance at 31-03-2007		158,742	(2,842)	161,241	343
Donation received	- tax exempt	12,140	0	12,140	0
	- non-tax-exempt	8,823	0	8,823	0
Fixed deposit interest		550	0	550	0
Payment of specific project costs		(34,418)	0	(34,418)	0
Surplus for the year (Note 7)		11,670	11,670	0	0
Balance at 31-03-2008		157,507	8,828	148,336	343

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 S$	2007 S$
Cash flow from operating activities :			
Surplus for the year		11,670	12,915
Adjustments for :			
Interest income		(709)	(1,064)
Depreciation		1,131	46
Operating surplus before working capital changes		12,092	11,897
Other receivables		8,225	(11,232)
Accruals & other payables		10,562	(29,865)
Cash generated from / (used in) operating activities		30,879	(29,200)
Interest received		709	1,064
Increase in designated project fund		(12,905)	46,616
Increase in asset capitalisation account		1,898	0
Over statement of income in prior year		0	(8,315)
Net cash inflow from operating activities		20,581	10,165
Cash flows from investing activities			
Purchase of plant & machinery		(6,572)	0
Net cash (outflow) from investing activities		(6,572)	0
Net increase in cash and cash equivalents		14,009	10,165
Cash and cash equivalents at beginning of the year		166,168	156,003
Cash and cash equivalents at end of the year	11	180,177	166,168

HELP FAMILY SERVICE CENTRE
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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2008

1. CENTRE INFORMATION

HELP Family Service Centre (the "Centre") was registered in Singapore as a Society on 24 January 1992.

The principal activities of the Centre are to provide comprehensive and integrated services to promote the well being of single parent families. There have been no significant changes in the nature of these activities during the financial year.

The registered office and principal place of business is located at Blk 570 Ang Mo Kio Ave 3, #01-3317, Singapore 560570.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statement are prepared in accordance with the historical cost convention and the provisions of the Singapore Financial Reporting Standards.

Financial assets

Financial assets include cash and bank balances and other receivables. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Allowance for impairment is made for uncollectible amounts when there is objective evidence that the Centre will not be able to collect the debt. Bad debts are written off when identified.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities including payables and accruals, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is calculated on a straight line method so as to write off the depreciable value of the assets over their estimated useful lives as follows :

Office furniture, fittings and equipment	5 years
Computer	3 years

The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the income statement for the financial year in which the changes arise.

Subsequent expenditure relating to 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 expense in the income statement during the financial year in which it is incurred.

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

(c) Revenue recognition

Contributions and donations are recognised when received.

Interest income from fixed deposits is recognised on time proportion basis.

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) **Designated project fund**
Funds received for the purpose of providing specific services are transferred to and recorded as designated project fund in the balance sheet. Income from investing the monies are added to the fund.

(e) **Cash and cash equivalent**

Cash and cash equivalents consist of cash and bank balance and unsecured fixed deposits with maturity of less than three months from balance sheet date.

(f) **Assets capitalisation reserve**

This relates to the amounts transferred from the designated project fund in respect of the costs of acquisition net of accumulated depreciation of plant and equipment.

(g) **Provisions**

Provisions are recognised when the Centre has a present obligation (legal or constructive) where as a result of a past event, and 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 obligation.

(h) **Non-derivative financial instruments**

Non-derivative financial instruments comprise other receivables, cash and bank balances, fixed deposits, and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through income statement, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using effective interest method, less any impairment losses.

A financial instrument is recognised if the Centre becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Centre's contractual rights to the cash flows from the financial assets expire or if the Centre transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Centre's obligations specified in the contract expire or are discharged or cancelled.

(i) **Employee benefits**

Defined contribution plan
As required by law, the Centre makes contribution to the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

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.

(j) **Accounting for leases**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are treated as a liability. The interest element of the finance charge is charged to the income statement over the lease period. Plant and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Accounting for leases (cont'd)

Operating lease payments are charged to the income statements 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 expense in the period in which termination takes place.

(k) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income and expenditure account.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

3. PLANT & EQUIPMENT

	Office furniture, fittings & equipment	Computers	Total
	S$	S$	S$
Cost			
As at 1 April 2007	92,033	39,695	131,728
Additions	3,204	3,368	6,572
Disposals	0	0	0
At 31 March 2008	95,237	43,063	138,300
Accumulated depreciation			
As at 1 April 2007	73,365	39,423	112,788
Charge for the financial year	15,970	1,122	17,092
Disposals	0	0	0
At 31 March 2008	89,335	40,545	129,880
Net book value			
As at 31 March 2008	5,902	2,518	8,420
As at 31 March 2007	18,664	272	18,940
Depreciation charge for 2007	15,375	2,316	17,691

The depreciation charges are allocated to :

	2008	2007
	S$	S$
Income and expenditure statement	1,131	46
Assets Capitalisation Reserve (Note 9)	15,961	17,645
	17,092	17,691

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4. OTHER RECEIVABLES

	2008 S$	2007 S$
Sundry deposits	1,577	1,577
Prepayments	790	540
Sundry receivables	75	0
Staff loan	2,750	3,750
Unused gift vouchers	0	7,550
	5,192	13,417

5. FIXED DEPOSITS

The fixed deposits mature within 3-month from the balance sheet date and the effective interest is 0.4417% (2007 : 0.4417%) per annum.

6. ACCRUALS & OTHER PAYABLES

Advance received from VCF	1,266	3,815
Accruals	32,997	19,886
	34,263	23,701

7. SURPLUS TRANSFERRED TO ACCUMULATED FUND

The surplus for the year will be subject to NCSS's computation of over and under funding adjustment and the excess will be refunded to NCSS.

8. DESIGNATED PROJECT FUND

Balance at beginning of the year	161,241	114,625
Funds received :		
- Specific fund received	21,513	54,014
Fund claimed :		
- Specific project costs	(34,418)	(7,398)
Balance at end of the year	148,336	161,241

9. ASSETS CAPITALISATION RESERVE

Balance at beginning of the year	16,082	33,727
Additions during the year	1,898	0
Depreciation for the financial year (Note 3)	(15,961)	(17,645)
Balance at end of the year	2,019	16,082

10. PROGRAMME DEVELOPMENT FUND

Balance at beginning / end of the financial year	343	343

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :

	2008 S$	2007 S$
Cash and bank balance	68,570	55,111
Fixed deposits	111,607	111,057
	180,177	166,168

12. EMPLOYEE BENEFITS

Salary, wages & bonus	483,677	457,130
Contribution to CPF Board	59,343	51,430
Others	10,776	12,298
	553,796	520,858

Remuneration bands, the breakdown below shows a two year comparison by headcount.

Annual remuneration :	Number of staff	
- Less than S$50,000	8	8
- More than S$50,000 but less than S$100,000	4	4

13. INCOME TAX

The Centre is an approved charity under the Charities Act, Cap 37.

With effect from the Year of Assessment 2008, the requirement for the Centre to spend at least 80% of their annual receipts on charitable objects in Singapore within 2 years in order to enjoy income tax exemption has been removed. The Centre therefore enjoys automatic income tax exemption.

14. OPERATING LEASE COMMITMENT

The Centre leases certain office equipment under a lease agreement that is non-cancellable and expiring more than one year. The future minimum lease payments are as follow :

Within one year	2,369	2,369
After one year but not more than 5 years	3,539	5,907
	5,908	8,276

15. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The main risk arising from the Centre's financial instruments are credit risk and interest rate risk. The Centre does not use derivatives and other instruments in its risk management activities. The Centre does not hold or issue derivative financial instruments for trading purposes. The Committee reviews and agrees policy for managing each of these risks and they are summarised below :

15. **FINANCIAL INSTRUMENTS (cont'd)**

Credit risk

The carrying amount of cash and bank balances and other receivables represents the Centre's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Centre has no significant concentration of credit risk. Surplus funds are placed with a licensed financial institution in Singapore.

Interest rate risk

The Centre's exposure to market risk for changes in the interest rates relates primarily to the Centre's fixed deposits and bank balances. The Centre's policy is to obtain favourable interest rates that are available.

Fair values

The carrying amounts of cash and bank balances, other receivables and other payables approximate their fair values due to their short term maturity.