



**CHILDREN-AT-RISK
EMPOWERMENT ASSOCIATION
(CARE Singapore)**

FINANCIAL REPORT

30 April 2008

UHY LEE SENG CHAN & CO

*Public Accountants and
Certified Public Accountants*

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of Children-At-Risk Empowerment Association (CARE Singapore) as at 30 April 2008, and the results and cash flows of the Association for the financial year ended on that date.

On behalf of the Management Committee,



Jeffrey Neo Kheng Leong
Chairman



Rudy Pierre Low
Honorary Treasurer

Singapore
4 July 2008

Independent Auditor's Report to the Members of CHILDREN-AT-RISK EMPOWERMENT ASSOCIATION (CARE Singapore)

We have audited the accompanying financial statements of Children-At-Risk Empowerment Association (CARE Singapore) (the "Association") which comprise the balance sheet as at 30 April 2008, the statement of revenue and expenditure and cash flow statement of the Association for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Association's Management Committee Responsibility for the Financial Statements

The Association's Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and 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 statement and balance sheet and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are in accordance with the Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Association at 30 April 2008 and of the results and cash flows of the Association for the year ended on that date.

UHY LEE SENG CHAN & CO

*Public Accountants and
Certified Public Accountants*

Singapore
4 July 2008

BALANCE SHEET

	Notes	2008	2007
Non-Current Assets		\$	\$
Plant and equipment	3	124,743	210,968
Current Assets			
Account receivables		63,675	45,000
Deposits		3,183	3,183
Cash and cash equivalents	16	1,188,190	537,279
		1,255,048	585,462
Current Liabilities			
Accrued operating expenses		19,665	19,516
Net Current Assets		1,235,383	565,946
		1,360,126	776,914
Accumulated Funds	4	1,221,490	566,897
Building Fund	5	138,636	210,017
		1,360,126	776,914

STATEMENT OF INCOME AND EXPENDITURE

	Notes	2008	2007
Income		\$	\$
Donations received	6	591,289	199,139
Program cost recovery (fee income)	7	677,659	452,167
Other income (fundraising & grants)	8	644,205	222,045
		1,913,153	873,351
Expenditure			
Salaries and related costs	9	943,252	805,677
Other staff expenses	10	36,820	42,845
Maintenance	11	34,620	23,093
Administrative expenses	12	86,464	48,858
General expenses	13	131,816	88,362
Non-operating expenses	14	25,588	8,152
		1,258,560	1,016,987
Net surplus/(deficit) for the year		654,593	(143,636)



Jeffrey Neo Kheng Leong
Chairman



Rudy Pierre Low
Honorary Treasurer

CASH FLOW STATEMENT

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Net surplus/(deficit) for the year		654,593	(143,636)
Adjustments for:-			
Depreciation of plant and equipment		25,588	8,152
Interest income		(4,635)	(10,207)
		<hr/>	<hr/>
Operating profit/(loss) before working capital changes		675,546	(145,691)
Changes in working capital			
Account receivable		(18,675)	58,785
Deposits		-	(41)
Other payables		149	18,716
		<hr/>	<hr/>
Cash generated from/(used in) operations		657,020	(68,231)
Interest income		4,635	10,207
		<hr/>	<hr/>
Net cash generated from/(used in) operating activities		661,655	(58,024)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchases of plant and equipment		(10,744)	(57,270)
		<hr/>	<hr/>
Net cash used in investing activities		(10,744)	(57,270)
		<hr/>	<hr/>
Net change in cash and cash equivalents		650,911	(115,294)
Cash and cash equivalents at beginning of year		537,279	652,573
		<hr/>	<hr/>
Cash and cash equivalents at end of year	15	1,188,190	537,279
		<hr/>	<hr/>

See accompanying notes for 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. GENERAL

The principal activity of the Association is relating to the provision of an innovative school-based program using a multi-pronged approach to combat problems faced by children and youth.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in Singapore Dollar, which is the functional currency of the Association.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(b) DEPRECIATION

All items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis to allocate the depreciable amounts of the assets over their estimated useful lives as follows:

	Years
YOUthCARE Centre office (renovation)	5
Office equipment	3
Electrical equipment	5
Furniture and fittings	5

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

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

(c) RECOGNITION OF INCOME AND EXPENSES

Income and expenses are recognised on an accrual basis.

(d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and deposits in bank.

(e) FINANCIAL RISK MANAGEMENT

The Association is exposed to minimal financial risks and overall risk management is performed by management on a regular basis.

The Association has no significant concentration of credit risk. Cash and fixed deposit are placed with reputable financial institutions. Liquidity risk is minimal as the Association is able to fund its operations from its accumulated surplus and donations received.

3. PLANT AND EQUIPMENT**2008**

	YOUthCARE Centre (renovation) \$	Office equipment \$	Electrical equipment \$	Furniture and fittings \$	Total \$
Cost					
At beginning of the year	397,078	58,749	22,790	22,034	500,651
Additions	4,174	5,136	-	1,434	10,744
At end of the year	401,252	63,885	22,790	23,468	511,395
Accumulated depreciation					
At beginning of the year	215,371	44,117	16,282	13,913	289,683
Charge for the year	80,251	9,117	3,254	4,347	96,969
At end of the year	295,622	53,234	19,536	18,260	386,652
Net book value					
At 30 April 2008	105,630	10,651	3,254	5,208	124,743

2007

	YOUthCARE Centre (renovation) \$	Office equipment \$	Electrical equipment \$	Furniture and fittings \$	Total \$
Cost					
At beginning of the year	359,438	39,119	22,790	22,034	443,381
Additions	37,640	19,630	-	-	57,270
At end of the year	397,078	58,749	22,790	22,034	500,651
Accumulated depreciation					
At beginning of the year	135,955	33,671	13,028	9,791	192,445
Charge for the year	79,416	10,446	3,254	4,122	97,238
At end of the year	215,371	44,117	16,282	13,913	289,683
Net book value					
At 30 April 2007	181,707	14,632	6,508	8,121	210,968

Depreciation charge for the year:

	2008	2007
	\$	\$
Included in:		
Accumulated fund	25,588	8,152
Building fund	71,381	89,086
	<u>96,969</u>	<u>97,238</u>

4. ACCUMULATED FUNDS

	2008	2007
	\$	\$
Balance at beginning of year	566,897	710,533
Surplus/(Deficit) for the year	654,593	(143,636)
	<u>1,221,490</u>	<u>566,897</u>

5. BUILDING FUND

	2008	2007
	\$	\$
Balance at beginning of year	210,017	299,103
Depreciation charge for the year (Note 3)	(71,381)	(89,086)
	<u>138,636</u>	<u>210,017</u>

Building fund represents donations received for the purpose of financing the renovation costs of the Association's new office premises (YOUthCARE Centre).

6. DONATIONS RECEIVED

	2008	2007
	\$	\$
Tax exempt	546,419	196,059
Others	44,870	3,080
	<u>591,289</u>	<u>199,139</u>

7. FEE INCOME

	2008	2007
	\$	\$
Course fee	530,375	295,808
Counselling fee	52,219	60,844
CAREvolution	86,005	87,005
Workshop fee	9,060	8,510
	<u>677,659</u>	<u>452,167</u>

8. OTHER INCOME

	2008	2007
	\$	\$
Bank interest	4,635	10,207
Miscellaneous	14,093	7,295
Fund raising project	13,297	2,004
NCSS grant funding	151,597	127,325
MCYS STEP-Up grant / NYC grant	298,565	70,125
SDF Grant received	2,000	5,089
Designated project funding	39,838	-
Government grant funding	120,180	-
	<u>644,205</u>	<u>222,045</u>

9. SALARIES AND RELATED COSTS

	2008	2007
	\$	\$
Salaries	692,451	601,944
Bonuses	139,255	116,626
CPF, SDL and FWL	111,546	87,107
	<u>943,252</u>	<u>805,677</u>

10. OTHER STAFF EXPENSES

	2008	2007
	\$	\$
Other staff benefits	4,383	2,814
Basic staff training	3,386	10,198
Advance staff training	10,609	4,799
Recruitment expenses	1,386	435
Manpower contract service	2,707	13,236
Medical & dental claims	6,350	4,101
Staff insurance	7,999	7,262
	<u>36,820</u>	<u>42,845</u>

11. MAINTENANCE

	2008	2007
	\$	\$
Centre maintenance	6,286	-
Equipment	3,172	3,896
Rental of building, equipment and others	25,162	19,197
	<u>34,620</u>	<u>23,093</u>

12. ADMINISTRATIVE EXPENSES

	2008	2007
	\$	\$
Audit fee	1,200	1,000
Camp and workshop supplies	39,999	29,901
Photocopy	1,116	1,959
Stationery, supplies and materials	4,193	6,205
Programme incentive	33,360	1,391
Resource books and materials	4,326	7,674
Volunteer appreciation	2,270	728
	<u>86,464</u>	<u>48,858</u>

13. GENERAL EXPENSES

	2008	2007
	\$	\$
Designated project expenses	14,210	18,247
Insurance	3,349	1,292
Miscellaneous expenses	274	2,185
Public relations/Education materials	49,046	11,865
Professional services	1,838	4,004
Specific assistance to clients	5,081	-
Telecommunication	17,209	13,451
Transport expenses	33,319	29,391
Utilities	7,490	7,927
	<u>131,816</u>	<u>88,362</u>

14. NON-OPERATING EXPENSES

	2008	2007
	\$	\$
Depreciation (Note 3)	<u>25,588</u>	<u>8,152</u>

15. CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Fixed deposit	350,000	-
Bank balance and cash	838,190	537,279
	<u>1,188,190</u>	<u>537,279</u>

16. INCOME TAX STATUS

The Association is exempted from income tax under Section 13M of the Income Tax Act, Cap. 134.

17. COMMITMENTS

As at 30 April 2008, the Association has rental commitment under non-cancellable operating lease for office equipment payable as follows:

	2008	2007
	\$	\$
Within 1 year	-	1,200
Between 2 and 5 years	-	1,000

18. FINANCIAL ASSETS AND LIABILITIES

The fair values of the Association's financial assets and financial liabilities approximate their carrying amounts as shown in the balance sheet due to the short-term nature of these financial instruments.

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