

KAMPONG KAPOR FAMILY SERVICE CENTRE

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2014**

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Baker Tilly TFW LLP
Chartered Accountants of Singapore

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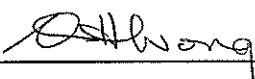
THE MANAGEMENT COMMITTEE

KAMPONG KAPOR FAMILY SERVICE CENTRE


STATEMENT BY THE MANAGEMENT COMMITTEE

On behalf of the Management Committee, we, Wong Quek Hin and Chia Ping Kheong, being the Chairman and Honorary Treasurer of Kampong Kapor Family Service Centre (“Society”) respectively, do hereby state that in our opinion, the financial statements on pages 3 to 16 are properly drawn up in accordance with the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2014 and of its income and expenditure, changes in accumulated fund and specific funds and cash flows of its operations for the financial year ended on that date.

On behalf of the Management Committee,



Wong Quek Hin
Chairman



Chia Ping Kheong
Honorary Treasurer

18 September 2014



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KAMPONG KAPOR FAMILY SERVICE CENTRE**

Report on the Financial Statements

We have audited the accompanying financial statements of Kampong Kapor Family Service Centre (the "Society") as set out on pages 3 to 16, which comprise the balance sheet as at 31 March 2014, the statement of comprehensive income, statement of changes in accumulated fund and specific funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committee's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, the Singapore Charities Act (the "Charities Act") and Singapore Financial Reporting Standards, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 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 Committee, 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 and the Societies Act and the Charities Act so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2014 and the income and expenditure, changes in accumulated fund and specific funds and cash flows of the Society for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- a) the use of the donation moneys was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

18 September 2014

KAMPONG KAPOR FAMILY SERVICE CENTRE

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	Notes	2014 \$	2013 \$
Income			
Donations	3	46,465	118,821
Government grants		1,845,322	1,901,228
Programme and membership income		43,254	56,279
Sundry income		3,011	5,829
Amortisation of capital grant	13	15,878	7,526
		<hr/>	<hr/>
		1,953,930	2,089,683
Less expenditure			
Staff costs	4	1,620,387	1,454,493
Depreciation of plant and equipment	5	22,085	15,250
Rent of building, equipment and others		30,215	29,095
Other operating expenses		156,931	126,496
		<hr/>	<hr/>
		1,829,618	1,625,334
Surplus and total comprehensive income for the financial year		<hr/>	<hr/>
		124,312	464,349

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

BALANCE SHEET

At 31 March 2014

	Notes	2014 \$	2013 \$
Non-current asset			
Plant and equipment	5	393,567	37,601
Current assets			
Other receivables	6	638,655	68,887
Cash and bank balances		1,154,089	2,600,056
Fixed deposit	7	1,000,000	–
		2,792,744	2,668,943
Total assets		3,186,311	2,706,544
Current liability			
Other payables	8	70,039	47,979
Net assets		3,116,272	2,658,565
Funds			
<i>Unrestricted Fund</i>			
Accumulated Fund		2,234,252	2,577,071
<i>Restricted Fund</i>			
School Pocket Money Fund	9	51,804	56,029
Financial Assistance Fund	10	4,900	17,095
Comcare Fund	11	6,950	–
Programme Fund	12	461,443	–
Capital grant	13	356,923	8,370
Total Funds		3,116,272	2,658,565

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

STATEMENT OF CHANGES IN ACCUMULATED FUND AND SPECIFIC FUNDS
For the financial year ended 31 March 2014

	Unrestricted Fund	← Restricted Funds →					Total Funds \$
	Accumulated Fund \$	School Pocket Money Fund \$	Financial Assistance Fund \$	Comcare Fund \$	Programme Fund \$	Capital Grant \$	
Balance at 1 April 2012	2,113,322	33,909	15,331	–	–	15,896	2,178,458
Surplus and total comprehensive income for the financial year	464,349	22,120	1,164	–	–	(7,526)	480,107
Transfer of funds	(600)	–	600	–	–	–	–
Balance at 31 March 2013	2,577,071	56,029	17,095	–	–	8,370	2,658,565
Surplus and total comprehensive income for the financial year	124,312	(4,225)	(10,595)	(338)	–	348,553	457,707
Transfer of funds	(467,131)	–	(1,600)	7,288	461,443	–	–
Balance at 31 March 2014	2,234,252	51,804	4,900	6,950	461,443	356,923	3,116,272

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2014

	2014 \$	2013 \$
Cash flows from operating activities		
Surplus for the financial year	124,312	464,349
Adjustments for:		
Depreciation of plant and equipment	22,085	15,250
Amortisation of capital grant	(15,878)	(7,526)
Plant and equipment written-off	10,637	–
Operating cash flow before working capital changes	141,156	472,073
Receivables	(569,768)	60,440
Payables	22,060	(1,178)
Net cash (used in)/from operating activities	(406,552)	531,335
Cash flows from investing activity		
Purchase of plant and equipment	(388,688)	(12,422)
Cash flows from restricted funds		
School Pocket Money Fund	(4,225)	22,120
Financial Assistance Fund	(10,595)	1,164
Comcare Fund	(338)	–
Capital grant	364,431	–
Net cash from restricted funds	349,273	23,284
Net (decrease)/increase in cash and cash equivalents	(445,967)	542,197
Cash and cash equivalents at beginning of financial year	2,600,056	2,057,859
Cash and cash equivalents at end of financial year	2,154,089	2,600,056
Cash and cash equivalents comprise:		
Fixed deposit	1,000,000	–
Cash and bank balances	1,154,089	2,600,056
Cash and cash equivalents at end of financial year	2,154,089	2,600,056

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 March 2014

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

1 General information

Kampong Kapor Family Service Centre is registered in Singapore under the Societies Act. The Society is a registered charity under the Charities Act since 1 April 2010.

The Society provides casework and counselling, information and referral services, preventive and developmental programmes and activities for individuals and families in need. The objective of the programmes and services is to develop and strengthen clients' resilience and social support networks within family and community. It is located at Blk 2 Kitchener Road, #03-89, Singapore.

2 Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollars which is the functional currency of the Society, have been prepared in accordance with the provisions of the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed 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 income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments and estimates made during the financial year.

The carrying amounts of cash and bank balances, fixed deposit, other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Society has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not have any material effect on the financial results or position of the Society.

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 March 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

2 Significant accounting policies (cont'd)

b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is charged on the straight-line method to write off the assets over their estimated useful lives as follows:

Computers	- 3 years
Furniture, fittings & fixtures	- 10 years
Office equipment	- 10 years
Renovations	- 5 years

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

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

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

c) Income recognition

Donations	- when received
Programme income	- over the period of provision of services to clients
Grant	- where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with

d) Grants

Capital grants

Capital grants received are amortised over the useful lives of the assets acquired using the grants.

Total capital grants received less the amounts amortised to income or expenditure at the balance sheet date are included in the balance sheet as capital grants.

Revenue grants

Grants of a revenue nature are credited to income or expenditure in the period to which they relate.

e) Defined contribution plans

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are charged to income or expenditure in the period in which the contributions relate.

2 Significant accounting policies (cont'd)

f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income or expenditure.

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 that asset in prior years.

g) Income tax

The Society is exempted from income tax under the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Society.

h) Provision

Provisions are recognised when the Society has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Society expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

i) Financial assets

(i) Classification

The Society classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every balance sheet date. The Society's only financial assets are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified within cash and bank balances, fixed deposit and other receivables (excluding prepayments) on the balance sheet.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sales proceeds and its carrying amount is taken to income or expenditure.

2 Significant accounting policies (cont'd)

i) Financial assets (cont'd)

(iii) Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

(iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Gains and losses are recognised in income or expenditure when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(v) Impairment

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

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in income or expenditure. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

j) Financial liabilities

Financial liabilities comprise other payables (excluding advance receipts) which are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in income or expenditure when the liabilities are derecognised and through the amortisation process.

k) Leases

Operating lease

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to income or expenditure 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 expenditure in the period in which termination takes place.

3 Donations

Included in donations are tax deductible receipts of \$40,665 (2013: \$109,450).

4 Staff costs

	2014 \$	2013 \$
Salaries and related costs	1,357,127	1,211,983
Central Provident Fund	191,292	169,951
Others	71,968	72,559
	<u>1,620,387</u>	<u>1,454,493</u>

a) Included in the staff costs, the Society has one staff member out of the top three earners with an annual remuneration above \$100,000.

b) Included in the above are remuneration paid to key management personnel as follows:

	2014 \$	2013 \$
Salaries and related costs	221,015	230,387
Central Provident Fund	26,666	26,379
	<u>247,681</u>	<u>256,766</u>

5 Plant and equipment

2014	Furniture fittings & fixtures \$	Computers \$	Office equipment \$	Renovations \$	Total \$
Cost					
At 1.4.2013	7,311	37,842	15,199	56,080	116,432
Additions	11,151	10,773	1,839	364,925	388,688
Written-off	(7,108)	(11)	(6,740)	(39,695)	(53,554)
At 31.3.2014	<u>11,354</u>	<u>48,604</u>	<u>10,298</u>	<u>381,310</u>	<u>451,566</u>
Accumulated depreciation					
At 1.4.2013	1,163	20,982	3,883	52,803	78,831
Depreciation charge	1,126	9,825	1,775	9,359	22,085
Written-off	(1,807)	(11)	(1,404)	(39,695)	(42,917)
At 31.3.2014	<u>482</u>	<u>30,796</u>	<u>4,254</u>	<u>22,467</u>	<u>57,999</u>
Net carrying value					
At 31.3.2014	<u>10,872</u>	<u>17,808</u>	<u>6,044</u>	<u>358,843</u>	<u>393,567</u>

5 Plant and equipment (cont'd)

	Furniture fittings & fixtures \$	Computers \$	Office equipment \$	Renovations \$	Total \$
2013					
At 1.4.2012	7,311	25,420	15,199	56,080	104,010
Additions	–	12,422	–	–	12,422
At 31.3.2013	7,311	37,842	15,199	56,080	116,432
Accumulated depreciation					
At 1.4.2012	430	11,467	2,158	49,526	63,581
Depreciation charge	733	9,515	1,725	3,277	15,250
At 31.3.2013	1,163	20,982	3,883	52,803	78,831
Net carrying value					
At 31.3.2013	6,148	16,860	11,316	3,277	37,601

6 Other receivables

	2014 \$	2013 \$
Sundry receivables	626,868	62,727
Less: Allowance for doubtful sundry receivables	(74)	(748)
	626,794	61,979
Sundry deposits	4,987	3,923
Prepayments	6,874	2,985
	638,655	68,887

Movements in allowance for doubtful sundry receivables are as follows:

	2014 \$	2013 \$
At 1 April	748	–
Charged to statement of comprehensive income	74	748
Allowance written off	(748)	–
At 31 March	74	748
Not past due		
- Grants receivable from IRAS and WDA	47,320	4,200
- Grants receivable from MSF	344,749	24,256
- Grants receivable from NCSS	219,100	27,236
- Other receivables	11,885	2,920
	623,054	58,612
Past due but not impaired	3,814	4,115
	626,868	62,727

6 Other receivables

The age analysis of sundry receivables past due but not impaired was as follows:

	2014 \$	2013 \$
Past due 0 - 30 days	520	640
Past due 31 - 60 days	175	260
Past due 60 days and over	3,119	3,215
	<u>3,814</u>	<u>4,115</u>

7 Fixed deposit

Fixed deposit is placed with bank and mature in 4 months after the balance sheet date. The fixed deposit earns interest at 0.34% per annum.

8 Other payables

	2014 \$	2013 \$
Advance receipts	736	1,229
Sundry payables	61,258	37,312
Accrued operating expenses	5,350	5,000
Deposits from students	2,695	4,438
	<u>70,039</u>	<u>47,979</u>

9 School Pocket Money Fund

	2014 \$	2013 \$
At 1 April	56,029	33,909
Receipts	139,505	151,010
Expenditure	(143,730)	(128,890)
At 31 March	<u>51,804</u>	<u>56,029</u>

These are funds received from National Council of Social Service to finance needy students.

10 Financial Assistance Fund

	2014 \$	2013 \$
At 1 April	17,095	15,331
Receipts	33,373	72,873
Expenditure	(43,968)	(71,709)
	<u>6,500</u>	<u>16,495</u>
Transfer (to)/from Accumulated Fund	(1,600)	600
At 31 March	<u>4,900</u>	<u>17,095</u>

The fund is set up to provide financial assistance to needy families.

11 Comcare Fund

	2014 \$	2013 \$
At 1 April	–	–
Receipts	11,057	–
Expenditure	(11,395)	–
	<u>(338)</u>	–
Transfer from Accumulated Fund	7,288	–
	<u>6,950</u>	–

These are funds received from Ministry of Social and Family Development for short term emergency fund disbursed to the needy.

12 Programme Fund

	2014 \$	2013 \$
At 1 April	–	–
Transfer from Accumulated Fund	461,443	–
	<u>461,443</u>	–
At 31 March	<u>461,443</u>	–

These are funds received from National Council of Social Service and Ministry of Social and Family Development to provide service to the Community.

13 Capital grant

	2014 \$	2013 \$
At 1 April	8,370	15,896
Additions	364,431	–
Current year amortisation	(15,878)	(7,526)
	<u>356,923</u>	<u>8,370</u>
At 31 March	<u>356,923</u>	<u>8,370</u>

14 Operating lease commitment

At balance sheet date, minimum lease payments for non-cancellable operating lease not provided for in the financial statements are as follows:

	2014 \$	2013 \$
Within 1 year	5,761	4,943
Within 2 to 5 years	–	3,173
	<u>5,761</u>	<u>8,116</u>

15 Reserve policy

The Society shall seek to accumulate and maintain cash reserves of at least one year, but not more than two years of annual operating expenditure. Substantial funding is secured in advance annually (or in some cases, bi-annually) from well-funded National-level institutions.

16 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at balance sheet date are as follows:

	2014 \$	2013 \$
<i>Financial assets</i>		
Loan and receivables	2,785,870	2,665,958
<i>Financial liability</i>		
At amortised cost	69,303	46,750

b) Financial risk management

Overall risk management is determined and carried out by the Management Committee. Due to the nature of the Society's activities, it has minimal financial risks exposure.

Foreign exchange risk

The Society's exposure to foreign exchange risk is minimal as nearly all of its transactions are in Singapore dollars.

Credit risk

The Society's exposure to credit risk arises primarily from sundry receivables and cash and bank balances. The Society has no significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the balance sheet.

Financial assets that are neither past due nor impaired

Sundry receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Society. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 6.

16 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Interest rate risk

The Society's income and operating cash flows are substantially independent of changes in market interest rates as it has no significant interest bearing assets or liabilities except for cash and bank balances where interest earned is not significant.

The sensitivity analysis for interest rate is not disclosed as the effect on the financial statements is not expected to be significant.

Liquidity risk

The Management Committee exercises prudent liquidity and cash flow risk management policies and aims to maintain sufficient level of liquidity and cash flows at all times.

The financial liabilities of the Society as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted payments.

c) Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values.

17 Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Management Committee dated 18 September 2014.