

Christian Care Services Singapore
(Registered in Singapore)

Balance Sheet as at 31 October 2006

	Note	2006 S\$	2005 S\$
Equipment	4	40,605	64,081
Current assets			
Trade debtors		-	1,994
Other debtors	5	18,232	34,630
Due from an affiliated party	6	-	36,793
Loan to a related party	7	12,750	14,850
Cash and cash equivalents	8	12,254	120,592
		43,236	208,859
Less:			
Current Liabilities			
Accruals		43,698	32,808
Loan	9	10,000	-
Hire Purchase creditors	10	16,672	16,672
		70,370	49,480
Net current assets/(liabilities)		(27,134)	159,379
Non-Current Liabilities			
Hire Purchase creditors	10	(39,784)	(56,456)
Net Assets		(26,313)	167,004
Represented by:			
Unrestricted funds			
Accumulated fund		(26,313)	167,004

The annexed notes form an integral part of and should be read in conjunction with the financial statements

Christian Care Services Singapore
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Income and Expenditure Statement for the year ended 31 October 2006

	Note	2006 S\$	2005 S\$
<u>Income</u>			
Donations		129,819	57,999
Thanks giving offering		477	-
Care Magazine contributions		-	6,150
CBR allowance contributions		42,276	116,316
Fund raising Dinner Collections		44,817	22,215
NCSS funding		1,710	-
Training grants received		12,380	-
Fixed deposit interest		-	263
Painting and car polishing		1,810	8,540
Removal and cleaning collection		158,894	201,232
Sales of flower, old newspaper/clothing		33,875	21,984
Barber income		2,213	14,821
Sundry income		1,459	16,172
		429,730	465,692
Less : Expenditure (Schedule I)		(623,047)	(522,145)
(Deficit) for the year		(193,317)	(56,453)

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Schedule I – Expenditure for the year ended 31 October 2006

	Notes	2006 S\$	2005 S\$
Advertisement		3,064	3,275
Accounting fees		1,400	1,400
Auditors' remuneration		2,500	1,000
Bad debts written off	6	36,793	-
Bank charges		477	295
CBR allowance		4,158	9,457
CPF, SDL & FWL		20,898	14,111
Computer software		459	-
Casual workers		230	-
Consulting services		11,000	-
Depreciation		28,327	27,357
Entertainment		884	-
Fine and penalties		610	786
Fund raising expenses	11	21,342	22,561
Gifts and donations		34,778	41,530
Hire purchase interest		4,137	4,137
Insurance		3,466	832
Info-tech expenses		175	-
Materials		6,565	19,413
Medical fee		600	756
Membership fees		801	1,030
Newspapers, magazines and periodicals		317	399
Postages and stamps		269	257
Online donations charge		10	154
Printing and stationery		10,498	9,535
Professional fees		2,300	6,330
Recreation & camp expenses		106	750
Rental		107,240	129,800
Repairs and maintenance		834	1,794
Rental of equipment		1,753	2,090
Salaries and annual wage supplement		177,558	107,378
Sundry expenses		-	1,480
Telephone		10,231	9,247
Training expenses		7,008	2,802
Transport		1,153	17
Travelling		3,876	8,658
Upkeep of Care Centre		35,727	29,031
Utilities		22,726	23,647
Upkeep of vehicles		54,320	35,284
Waste disposal		4,457	5,552
		623,047	522,145

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Statement of changes in reserves for the year ended 31 October 2006

	Accumulated Fund S\$
Balance at 31 October 2004	223,457
(Deficit) for the year	(56,453)
Balance at 31 October 2005	<hr/> 167,004
(Deficit) for the year	(193,317)
Balance at 31 October 2006	<hr/> <hr/> <u>(26,313)</u>

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Christian Care Services Singapore
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Cash flow statement for the year ended 31 October 2006

	2006	2005
	S\$	S\$
Cash flows from operating activities		
Net (deficit) from operation	(193,317)	(56,453)
Adjustment for:		
Depreciation	28,327	27,357
Operating surplus before working capital changes	(164,990)	(29,096)
Increase/(decrease) in working capital		
(Increase)/decrease in trade debtor	1,994	10,191
(Increase)/decrease in other debtors	16,398	(1,830)
(Increase)/decrease in due from affiliated party	36,793	(1,490)
(Increase)/decrease in Loan to a related party	2,100	150
Increase/(decrease) in other payable	10,890	12,379
	68,175	19,400
Cash generated from operating activities	(96,815)	(9,696)
Cash flows from investing activities		
Purchase of equipment	(4,851)	(1,204)
Cash flows from financing activities		
Loan from third party	10,000	-
Increase in/(repayment) for hire purchase creditors	(16,672)	(16,672)
	(6,672)	(16,672)
Net increase/(decrease) in cash and cash equivalents	(108,338)	(27,572)
Cash and cash equivalents at the beginning of the year	120,592	148,164
Cash and cash equivalents at the end of the year (Note 9)	12,254	120,592

The annexed notes form an integral part of and should be read in conjunction with the financial statements

Christian Care Services Singapore
(Registered in Singapore)

Notes to the accounts - 31 October 2006

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

1. General

The Christian Care Services Singapore is established in the Republic of Singapore and the financial statements of the Centre are expressed in Singapore dollars.

The registered address of the Centre is located at 808 French Road #07-163 Kitchener Complex, Singapore 200808.

The principal activity of the Centre is that of a halfway house providing residential facilities and shelter and employment for ex-convicts.

The Centre does not have any employees whose remuneration exceeds \$50,000 per annum.

2. Significant accounting policies

(a) Accounting convention

The financial statements of the Centre have been prepared in compliance with the Singapore Financial Reporting Standards and in accordance with the historical cost convention.

(b) Equipment

Equipment are stated at cost less accumulated depreciation and impairment loss if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the income and expenditure statement.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount, and if carrying values exceed their recoverable amount, the assets are written down.

(c) **Depreciation**

Depreciation of equipment is on the straight-line basis so as to write off the cost of the assets over their estimated useful lives which are as follows:

Renovation	20%
Office Equipment	20%
Motor vehicle	20%

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

(d) **Impairment of assets**

The carrying amounts of the Centre's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is defined as the higher of value in use and net-selling price. Impairment losses are charged to the income statement.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(e) **Trade and other debtors**

Trade and other debtors are recognised and carried at original invoiced amount less an allowance for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(f) **Trade and other creditors**

Liabilities for trade and other creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

(g) **Cash and cash equivalents**

Cash on hand and in bank and short term deposits which are held to maturity are carried at cost. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash on hand and deposits in bank, net of bank overdrafts.

(h) **Income recognition**

Revenue from the sale of goods is recognised when goods are sold to customers, which generally coincides with their delivery and acceptance. All other revenues are recognised on a cash basis.

(i) **Employee benefits - defined contribution plan**

As required by law, the Home makes contributions to the state pension scheme, 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.

(j) **Government grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Grants are recognised as income in the period in which the respective expenses are incurred.

(k) **Financial risk management policies**

Liquidity risk

The Home financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Centre’s operations and mitigate the effects of fluctuation in cash flows.

Interest rate risk

Surplus funds are placed with reputable banks. The Centre’s policy is to obtain the most favourable interest rate available.

Fair Values of financial instruments

The carrying amounts of the financial assets and financial liabilities of the Centre approximate their fair values.

3. **Income tax**

Under the provisions of Section 13(1) (g) of the Income Tax Act, the Centre’s income is exempt from tax.

4. **Equipment**

	Renovation	Office Equipment	Furniture & Fitting	Motor vehicle	Total
Cost	S\$	S\$		S\$	S\$
At 1.11.2005	3,600	9,764	945	122,473	136,782
Additions	-	760	4,091	-	4,851
At 31.10.2006	3,600	10,524	5,036	122,473	141,633
Depreciation					
At 1.11.2005	2,160	5,012	189	65,340	72,701
Charge for year	720	2,105	1,007	24,495	28,327
At 31.10.2006	2,880	7,117	1,196	89,835	101,028
Charge for 05	720	1,953	189	24,495	27,357
Net book value					
At 31.10.2006	720	3,407	3,840	32,638	40,605
At 31.10.2005	1,440	4,752	756	57,133	64,081

5. **Other debtors**

	2006	2005
	S\$	S\$
Deposits	15,900	33,000
Prepayment	2,332	1,630
	<u>18,232</u>	<u>34,630</u>

6. **Due from affiliated party**

The amount due from affiliated party represents the current account with the Christian Outreach Church which is interest free with no fixed terms of repayment. The amount was written off by an unanimous resolution passed at a Board of Management Meeting held on 3 February 2007.

7. **Loan to a related party**

The loan is made with the approval from the board members as a personal loan to the President of the Centre which is interest free and to be repaid by 30 monthly instalments from August 2005. However, during the financial year only S\$2,100 (2005: S\$150) was repaid.

8. **Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise the following accounts:

	2006	2005
	S\$	S\$
Cash and bank balances	<u>12,254</u>	<u>120,592</u>

9. **Loan**

This represents a personal loan from a church member which is interest free and to be repaid by 20 monthly instalments starting from February 2007.

10. **Hire purchase creditors**

	2006	2005
	S\$	S\$
Minimum instalments payable:		
Not later than one year	20,808	20,808
later than one year but not later than five years	49,488	70,296
	<u>70,296</u>	<u>91,104</u>
Finance charges allocated to future periods	(13,840)	(17,977)
Present value of minimum lease payments	<u>56,456</u>	<u>73,127</u>
Due not later than one year	16,671	16,671
Due later than one year but not later than five years	39,785	56,456
	<u>56,456</u>	<u>73,127</u>

11. **Fund raising expenses**

	Carnival	Flag day	Total
	S\$	S\$	S\$
Event management	3,000	-	3,000
Printing & stationery	386	4,116	4,502
Ambulance	180	-	180
Permits	378	-	378
Prizes & tokens	884	-	884
Refreshments	492	-	492
Operation cost of food stalls	3,446	-	3,446
Carnival banner	622	-	622
Insurance	490	-	490
Tentage	6,300	-	6,300
Games stalls	725	-	725
Attendants	150	-	150
Magic show	50	-	50
Sundry items	123	-	123
	<u>17,226</u>	<u>4,116</u>	<u>21,342</u>

12. **Authorisation for issue**

The financial statements of the Centre for the financial year ended 31 October 2006 was authorised for issue on 20 March 2007.

Christian Care Services Singapore

Adjustment journal entries – 31 October 2006

	Debit S\$	Credit S\$
1. Auditors' remuneration	2,500.00	
Accruals		2,500.00
(Audit fees for the year ended 31 October 06)		
2. Info-tech expenses	175.00	
On-line donation charge	9.60	
Repair/maintenance	193.00	
Entertainment	320.90	
Materials	21.00	
Printing/stationery	870.30	
Postage	130.00	
Sundry expenses		1,719.80
(Reclassification of accounts)		
3. Printing/stationery	1,518.40	
Materials	3.15	
Entertainment	84.00	
Advertisement		170.04
Fund raising expenses		1,435.51
(Reclassification of accounts)		

Approved by:

Edward Job
President

Richard Martin
Hon Treasurer