

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

(Registration Number 199300813R)

(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

*Foundation Of Rotary Clubs (Singapore) Ltd
(Registration Number 199300813R)
(Incorporated in Singapore)*

FINANCIAL STATEMENTS
For the financial year ended 30 June 2015

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FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

STATEMENT BY EXECUTIVE MANAGEMENT COMMITTEE

For the financial year ended 30 June 2015

In our opinion,

- a) the financial statements as set out on pages 4 to 26 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 30 June 2015, and of the results of the financial activities and cash flows of the Foundation for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Executive Management Committee, comprising the following, authorised the issue of these financial statements on the date below.

Chairman	Dr. Wu Dar Ching
First Vice-Chairman	Chew Ghim Bok
Second Vice-Chairman	Dr. Philbert Chin Soon Siang
Honorary Secretary	Tan Kay Hui
Honorary Treasurer	Andrew Tan Beng Hwee
Finance Director	Chew Phak Heng
Audit Director	Phillip Tan Eng Seong
Rotarian Relations Director	Albert Wong Fook Soon
Programmes and Projects Director	Alex Eow Yoke Kee
Fundraising Director	Dr. Yap Lip Kee
Public Relations Director	To Chee Kan
Rotary Family Service Centre Chairman	Henry Tan Kok Hiang

On behalf of the Executive Management Committee



Dr. Wu Dar Ching
Chairman



Andrew Tan Beng Hwee
Honorary Treasurer

Singapore, **30 OCT 2015**

INDEPENDENT AUDITOR'S REPORT TO THE FOUNDATION'S MANAGEMENT OF FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Report on the Financial Statements

We have audited the accompanying financial statements of Foundation Of Rotary Clubs (Singapore) Ltd (the "Foundation"), set out on pages 4 to 26, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act, Chapter 37, Singapore Companies Act, Chapter 50 (the "Act") 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 statement of comprehensive income 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 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 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 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.

Continued.....

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**INDEPENDENT AUDITOR'S REPORT TO THE FOUNDATION'S MANAGEMENT OF
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**
(continued)

Opinion

In our opinion, the financial statements of the Foundation are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the assets used in, and liabilities arising out of, the Foundation's operations as at 30 June 2015 and the results, changes in the Foundation account and cash flows from such operations for the financial year ended on that date.


Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the Act and the regulations enacted under the Charities Act, Chapter 37 to be kept by the Foundation have been properly kept in accordance with those regulations.
- (b) the fund-raising events held during the financial year ended 30 June 2015 have been carried out in accordance with the requirement of the Charities (Institution of a Public Character) Regulations and proper accounts and other records have been kept of the fund-raising event.

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

- (i) the use of the donation monies was not in accordance with the objectives of the Foundation as required under Regulation 16 of the Charities (Institution of a Public Character) Regulations; and
- (ii) the Foundation has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Bestar Assurance PAC
Public Accountants and
Chartered Accountants
Singapore

30 OCT 2015

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	2015 S\$	2014 S\$
ASSETS			
Non-current assets			
Plant and equipment	4	<u>115,472</u>	<u>138,290</u>
Total non-current assets		<u>115,472</u>	<u>138,290</u>
Current assets			
Inventory	5	250	-
Trade and other receivables	6	197,058	383,874
Cash and cash equivalents	7	<u>3,636,372</u>	<u>2,738,336</u>
Total current assets		<u>3,833,680</u>	<u>3,122,210</u>
Total assets		<u>3,949,152</u>	<u>3,260,500</u>
Accumulated funds			
<i>Unrestricted fund</i>			
Foundation of Rotary Clubs	8(a)	<u>999,321</u>	<u>926,083</u>
		<u>999,321</u>	<u>926,083</u>
<i>Restricted fund</i>			
Rotary House Project	8(b)	431,277	431,277
Rotary Family Service Centre	8(c)	1,724,826	1,324,780
Project / programme funds	9	<u>706,064</u>	<u>489,058</u>
		<u>2,862,167</u>	<u>2,245,115</u>
Total accumulated funds		<u>3,861,488</u>	<u>3,171,198</u>
Current liabilities			
Other payables	10	<u>87,664</u>	<u>89,302</u>
Total current liabilities		<u>87,664</u>	<u>89,302</u>
Total accumulated funds and liabilities		<u>3,949,152</u>	<u>3,260,500</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2015

	Note	<u>2015</u> S\$	<u>2014</u> S\$
Income			
Donations and grants	11	1,769,840	1,637,516
Income from activities	12	75,070	32,241
Other income	13	65,549	75,019
Total income		<u>1,910,459</u>	<u>1,744,776</u>
Costs and expenses			
Depreciation charges	4	37,862	31,919
Finance costs		651	5,255
Governance costs	14	24,703	39,469
Staff costs	15	1,227,171	1,054,325
Other operating expenses	16	146,788	167,119
Total costs and expenses		<u>1,437,175</u>	<u>1,298,087</u>
Total comprehensive income for the financial year		<u>473,284</u>	<u>446,689</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

STATEMENT OF CHANGES IN FUNDS

For the financial year ended 30 June 2015

	Note	Balance at beginning of the year S\$	Net Surplus / (Deficit) S\$	Balance at end of the year S\$
2015				
Unrestricted fund				
The Foundation	8(a)	926,083	73,238	999,321
Restricted fund				
Rotary House Project	8(b)	431,277	-	431,277
Rotary Family Service Centre Programme / project reserves	8(c) 9	1,324,780 489,058	400,046 217,006	1,724,826 706,064
		<u>2,245,115</u>	<u>617,052</u>	<u>2,862,167</u>
Total accumulated funds		<u>3,171,198</u>	<u>690,290</u>	<u>3,861,488</u>
2014				
Unrestricted fund				
The Foundation	8(a)	1,044,706	(118,623)	926,083
Restricted fund				
Rotary House Project	8(b)	431,277	-	431,277
Rotary Family Service Centre Programme / project reserves	8(c) 9	759,468 396,229	565,312 92,829	1,324,780 489,058
		<u>1,586,974</u>	<u>658,141</u>	<u>2,245,115</u>
Total accumulated funds		<u>2,631,680</u>	<u>539,518</u>	<u>3,171,198</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2015

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Cash flows from operating activities:		
Net profit before income tax	473,284	446,689
Depreciation charges	37,862	31,919
Interest income	(2,306)	(3,570)
Operating activities before working capital changes	<u>508,840</u>	<u>475,038</u>
Movements in working capital		
Inventory	(250)	-
Other receivables	186,815	(125,870)
Other payables	(1,637)	30,120
Cash flows from operations	<u>693,768</u>	<u>379,288</u>
Interest received	2,306	3,570
Net cash from operating activities	<u>696,074</u>	<u>382,858</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(15,044)	(60,407)
Net cash used in investing activities	<u>(15,044)</u>	<u>(60,407)</u>
Cash flows from financing activities		
Funds received from programme / project funds and others	384,055	359,825
Disbursements used in programme / project funds and others	(167,049)	(266,995)
Net cash generated from financing activities	<u>217,006</u>	<u>92,830</u>
Net increase in cash and cash equivalents	898,036	415,281
Cash and cash equivalents at the beginning of the year	<u>2,738,336</u>	<u>2,323,055</u>
Cash and cash equivalents at the end of the year (Note 7)	<u>3,636,372</u>	<u>2,738,336</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

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

1. CORPORATE INFORMATION

The financial statements of the Company for the financial year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors as stated in the Statement by Directors.

Foundation of Rotary Clubs (Singapore) Ltd. (the "Foundation") is a company limited by guarantee incorporated in the Republic of Singapore. The Foundation is also a registered charity under the Charities Act, Chapter 37 (UEN: 199300813R). The Foundation has its registered office at Block 346, Clementi Ave 5, #01-10 Singapore 120346.

And the principle place of business is located at 133 New Bridge Road #04-03, Chinatown Point Singapore 059413.

The principal activities of the Foundation are that of a voluntary welfare organisation. The principal activities are carried out by the following entities:

(a) Rotary Foundation

Provides services that alleviates poverty and suffering, promotes physical and mental well-being and which create environments for personal and societal improvement.

(b) Rotary Family Service Centre (RFSC)

Provides family oriented programmes which are responsive to the changing needs of the community.

The accounts of Rotary Family Service Centre (RFSC) have been incorporated with the accounts of the Foundation.

There have been no significant changes to the Foundation's activities during the financial year.

2. Significant accounting policies

(a) Basis of preparation

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

The financial statements of the Foundation are presented in Singapore Dollars, which is the Foundation's functional currency and are prepared in accordance with the historical cost convention except for the accounting policies as stated below.

The accounting policies have been consistently applied by the Foundation and are consistent with those used in the previous financial year.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

During the financial year, the Foundation has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRS") that are relevant to its operations and effective for the current financial period. The adoption of these new / revised FRSs and INT FRSs does not result in changes to the Foundation's accounting policies and has no material effect on the amounts reported for the current period or prior periods except as disclosed in these financial statements.

The Foundation has not applied the new FRSs that have been issued but are not yet effective. The Foundation is in the process of making an assessment of what the impact of these new FRSs where relevant is expected to be in the period of initial application.

(b) Plant and equipment

(a) Measurement

(i) *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (*refer to Note 2(m)*).

(ii) *Component of costs*

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains / losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Computers	3 years
Office equipment	5 years
Renovations	3 - 10 years

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies *(continued)*

(b) Plant and equipment *(continued)*

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Foundation and the cost can be reliably measured. Other subsequent expenditure is recognized as an expense during the financial year in which it is incurred.

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Foundation and the cost can be reliably measured. Other subsequent expenditure is recognized as an expense during the financial year in which it is incurred.

(d) Disposal

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. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date.

(c) Financial assets

(i) *Classification*

The Foundation classifies its financial assets as other receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest rate method, except for short-term balances when the recognition of interest would be immaterial. They are included in current assets, except those maturing later than 12 months after the end of financial year which are classified as non-current assets. Loans and receivables are classified "other receivables" and "cash at bank and cash on hand" on the statement of financial position.

(ii) *Recognition and derecognition*

Financial assets are recognised on the statement of financial position when, and only when, the Foundation becomes a party to the contractual provisions of the financial instruments.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies *(continued)*

(c) Financial assets *(continued)*

(ii) Recognition and derecognition (continued)

Initial measurement

Financial assets are initially recognized at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the statement of comprehensive income.

(iii) Impairment of financial assets

The Foundation assesses at the end of reporting date whether there is objective evidence that a financial asset is impaired and recognises an allowance for impairment when such evidence exists.

(iv) Impairment of financial assets

Receivables

The carrying amount of other receivables is reduced through the use of an allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the other receivables become uncollectible, it is written off against the allowance account. Subsequent recoveries of the amounts previously written off are recognised in the statement of comprehensive income.

The allowance for doubtful debt account is reduced through the statement of comprehensive income in a subsequent period when the amount of doubtful debt decreases and the related decrease can be objectively measured. The carrying amount of trade and other receivables previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subjected to an insignificant risk of changes in value.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies (*continued*)

(e) Financial liabilities

Financial liabilities consist of financial liabilities measured at amortised cost which are presented as "other payables" on the statement of financial position.

Other payables

Other payables are initially recognized at fair value, and are subsequently carried at amortised cost using the effective interest method, except for short-term balances when the recognition of interest would be immaterial.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through amortisation process.

De-recognition of financial liabilities

The Foundation derecognizes financial liabilities when, and only when, the Foundation's obligations are discharged, cancelled or they expire.

On derecognition, the difference between the carrying amount and the sum of consideration settled is recognized in the statement of comprehensive income.

(f) Leases

Operating leases

Lease where lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

Rental payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease.

The aggregate benefit of incentives provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(g) Provisions

Provisions are recognised when the Foundation has a present obligation (legal or constructive) as a result of a 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.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies *(continued)*

(h) Employee benefits

Defined contribution plan

Contributions to defined contribution plan are recorded 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.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Foundation assesses its revenue arrangements to determine if it is acting as principal or agent. The Foundation has concluded that it is acting as a principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from service rendered is recognised when services are performed.

Interest income

Interest income is recognized on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(j) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Foundation will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants such as job credit scheme and SME cash grant are recognised as other operating income upon receipt.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies (*continued*)

(k) Deferred income tax

Deferred taxation is determined on the basis of tax effect accounting using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the statement of financial position date.

At each statement of financial position date, the Foundation re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Foundation recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Foundation conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unabsorbed capital allowances and unutilised tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilised.

(l) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

(m) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised as an expense in the income statement to the extent that they exceed any revaluation surplus already recognised in respect of those assets. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of an impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for an asset no longer exists or has decreased. The reversal is recognised as income immediately to the extent that a revaluation deficit or impairment loss was recognised as expense previously. The excess is treated as a revaluation surplus if a fair value model is used in respect of that asset.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies (continued)

(n) Related party

A related party is a person or entity that is related to the reporting entity:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post – employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(o) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(p) Fair values of financial assets and liabilities

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

2. Significant accounting policies *(continued)*

(p) Fair values of financial assets and liabilities *(continued)*

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:-

Cash and cash equivalents and other current financial assets – The carrying amounts of cash and cash equivalents and other current financial assets approximate their fair values due to the relatively short-term maturity of these financial instruments.

Other current financial liabilities – The carrying amounts approximate fair value because of the short period to maturity of these financial instruments.

3. Critical accounting judgement and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

(i) **Critical judgements in applying the Foundation's accounting policies**

The management is of the opinion that the key judgement which has the most significant effect on the amounts recognized in the financial statements is discussed below:

Determination of functional currency

The Foundation measures foreign currency transactions in the functional currency of the Foundation. In determining the functional currency of the Foundation, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Foundation is determined based on management's assessment of the economic environment in which the Foundation operates its process of determining sales prices.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

3. Critical accounting judgement and key sources of estimation uncertainty *(continued)*

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial period, 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.

Depreciation on plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The directors estimate the useful lives of these plant and equipment to be within 3 to 10 years. The carrying amount of the Foundation's plant and equipment are set out in *Note 4*. 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.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial period, 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.

Provisions and contingent liabilities

Estimates of the Foundation's obligations arising from contracts exist as at end of the reporting period may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on the directors' knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

4. Plant and equipment

	<u>Renovation</u> S\$	<u>Office equipment</u> S\$	<u>Computers</u> S\$	<u>Total</u> S\$
Cost				
01 July 2013	337,766	133,078	80,273	551,117
Additions	35,985	24,422	-	60,407
30 June 2014	<u>373,751</u>	<u>157,500</u>	<u>80,273</u>	<u>611,524</u>
Additions	-	8,170	6,874	15,044
30 June 2015	<u>373,751</u>	<u>165,670</u>	<u>87,147</u>	<u>626,568</u>
Accumulated depreciation				
01 July 2013	335,875	50,200	55,240	441,315
Depreciation charges	3,507	18,744	9,668	31,919
30 June 2014	<u>339,382</u>	<u>68,944</u>	<u>64,908</u>	<u>473,234</u>
Depreciation charges	3,823	22,441	11,598	37,862
30 June 2015	<u>343,205</u>	<u>91,385</u>	<u>76,506</u>	<u>511,096</u>
Carrying amount				
30 June 2015	<u>30,546</u>	<u>74,285</u>	<u>10,641</u>	<u>115,472</u>
30 June 2014	<u>34,369</u>	<u>88,556</u>	<u>15,365</u>	<u>138,290</u>

5. Inventory

	<u>2015</u> S\$	<u>2014</u> S\$
Finished goods	<u>250</u>	<u>-</u>

6. Trade and other receivables

	<u>2015</u> S\$	<u>2014</u> S\$
Trade receivables		
- Non-related party	240	-
Other receivables		
- Deposits	9,469	10,029
- Grant receivables	130,235	330,498
- Interest receivable from fixed deposits	-	1,033
- Other receivables	23,924	36,575
- Prepayments	33,190	5,739
	<u>197,058</u>	<u>383,874</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

7. Cash and cash equivalents

	<u>2015</u> S\$	<u>2014</u> S\$
Cash in hand	2,209	2,191
Cash at bank	1,119,472	1,054,822
Fixed deposit	<u>2,514,691</u>	<u>1,681,323</u>
	<u>3,636,372</u>	<u>2,738,336</u>

Fixed deposits have a maturity period of between 1 to 7 months (2014: 1 to 7 months) from the end of the financial year with an interest rate per annum ranging from 0.20% to 0.35% (2014: 0.20% to 0.35%)

8. Fund balances by restriction of use

(a) Foundation of Rotary Club (FRCS) Reserves

	<u>2015</u> S\$	<u>2014</u> S\$
Unrestricted use for FRCS's activities and projects	<u>999,321</u>	<u>926,083</u>

(b) Rotary House Project (Restricted)

	<u>2015</u> S\$	<u>2014</u> S\$
Balance at beginning and end of financial year	<u>431,277</u>	<u>431,277</u>

The Rotary House Project Fund is to be used for investment in a Rotary House property.

(c) Rotary Family Service Centre (RFSC)

	<u>2015</u> S\$	<u>2014</u> S\$
Amount ring-fenced for exclusive use of RFSC	<u>1,724,826</u>	<u>1,324,780</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

9. Programme funds

	1 July 2014	Funds received	Expenses disbursed	Write back	30 June 2015
<u>2015</u>	S\$	S\$	S\$	S\$	S\$
<u>Projects</u>					
SPEY Whisky Project	-	65,162	(65,162)	-	-
Singapore Hui Ann Project	-	20,000	(20,000)	-	-
Diaper and milk Project	-	10,000	(10,000)	-	-
Stop hunger	-	5,000	(5,000)	-	-
Check in for charity	-	10,000	(2,660)	-	7,340
Project giving	-	4,707	(4,707)	-	-
	<u>-</u>	<u>114,869</u>	<u>(107,529)</u>	<u>-</u>	<u>7,340</u>
<u>Programmes – Foundation Of Rotary Club</u>					
ITE Student Excellence Awards	3,407	-	(1,800)	-	1,607
Avoidable Blindness Funds	180,975	3,216	(11,116)	-	173,075
My Wish Funds	2,480	38,186	(6,998)	-	33,668
Family Aid Funds	1,240	-	-	-	1,240
Meals From The Heart Funds	51,326	-	(4,386)	-	46,940
Happiness Fund	85,786	-	(5,310)	-	80,476
Cron's IBS Funds	32,316	23,013	-	-	55,329
Kids's Read Funds	3,557	40,760	-	-	44,317
Cotton – On Youth Project Funds	107,000	140,000	(20,000)	-	227,000
	<u>468,087</u>	<u>245,175</u>	<u>(49,610)</u>	<u>-</u>	<u>663,652</u>
<u>Programmes – Rotary Family Service Centre</u>					
Lee Foundations -- Financial Assistance	13,450	-	(4,500)	-	8,950
School Pocket Money Funds	(599)	23,436	-	-	22,837
Family Service Centre Comcare Funds	8,120	-	(4,835)	-	3,285
	<u>20,971</u>	<u>23,436</u>	<u>(9,335)</u>	<u>-</u>	<u>35,072</u>
Total programme funds	<u>489,058</u>	<u>384,055</u>	<u>(167,049)</u>	<u>-</u>	<u>706,064</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

9. Programme funds (continued)

	1 July <u>2013</u> S\$	Funds received S\$	Expenses disbursed S\$	Write back S\$	30 June <u>2014</u> S\$
2014					
Projects					
Mid Autumn Festival	-	34,640	(33,640)	(1,000)	-
	-	34,640	(33,640)	(1,000)	-
Programmes – Foundation Of Rotary Club					
ITE Student Excellence Awards	3,407	-	-	-	3,407
Avoidable Blindness Funds	181,975	-	(1,000)	-	180,975
My Wish Funds	7,592	2,000	(7,112)	-	2,480
Family Aid Funds	1,240	-	-	-	1,240
Meals From The Heart Funds	57,615	-	(6,289)	-	51,326
Happiness Fund	90,786	-	(5,000)	-	85,786
Cron's IBS Funds	-	51,276	(18,960)	-	32,316
Kids's Read Funds	-	9,950	(6,393)	-	3,557
Cotton – On Youth Project Funds	-	107,000	-	-	107,000
	<u>342,615</u>	<u>170,226</u>	<u>(44,754)</u>	-	<u>468,087</u>
Programmes – Rotary Family Service Centre					
Emergency Relief Funds	523	-	(523)	-	-
Lee Foundations – Financial Assistance	11,780	40,150	(38,480)	-	13,450
School Pockent Money Funds	31,660	95,816	(128,075)	-	(599)
Toh Kian Chui Foundations	2,400	-	(2,400)	-	-
Family Service Centre Comcare Funds	7,251	18,993	(18,124)	-	8,120
	<u>53,614</u>	<u>154,959</u>	<u>(187,602)</u>	-	<u>20,971</u>
Total programme funds	<u>396,229</u>	<u>359,825</u>	<u>(265,996)</u>	<u>(1,000)</u>	<u>489,058</u>

10. Other payables

	<u>2015</u> S\$	<u>2014</u> S\$
Accrued expenses	62,739	44,414
Community chest haze fund	1,000	1,000
Deferred income	23,925	35,888
VCF consultancy grant (advance received)	-	8,000
	<u>87,664</u>	<u>89,302</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

11. Donations and grants

	<u>2015</u> S\$	<u>2014</u> S\$
Capital funding – IT upgrade		15,245
General donations	108,455	10,030
Grants from Ministry of Community Development, Youth and Sports	961,197	777,410
Grants from National Council of Social Service	151,016	151,948
Grants from Singapore Totalisator Board	549,172	609,915
Single Mother Support Group	-	72,968
	<u>1,769,840</u>	<u>1,637,516</u>

12. Income from activities

	<u>2015</u> S\$	<u>2014</u> S\$
Flag day (a)	7,000	26,236
Rotary charity golf	48,330	-
Charity dinner	13,645	-
Counselling services	1,840	5,705
Board game	585	-
Sales of calendar	1,570	-
Rent from use of facilities	2,100	300
	<u>75,070</u>	<u>32,241</u>

Flag day (a)

	<u>2015</u> S\$	<u>2014</u> S\$
Funds received	7,000	34,767
Expenses disbursed	-	(8,531)
Net Surplus	<u>7,000</u>	<u>26,236</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

13. Other income

	<u>2015</u> S\$	<u>2014</u> S\$
Government paid childcare leave	2,354	2,057
Interest income	2,306	3,570
Other income	19,835	3,470
Renovation grant	1,335	11,963
Sponsored project fund	-	2,576
Wage credit scheme	39,719	30,383
Workforce Development Agency funding allowance	-	21,000
	<u>65,549</u>	<u>75,019</u>

14. Governance cost

	<u>2015</u> S\$	<u>2014</u> S\$
Accountancy fees	3,600	4,707
Audit fees	8,000	8,552
Consultancy work	-	1,000
Corporate retreat	-	810
Independent review	897	10,171
Payroll services	4,577	4,179
Secretarial fees	7,629	10,050
	<u>24,703</u>	<u>39,469</u>

15. Staff costs

	<u>2015</u> S\$	<u>2014</u> S\$
Annual leave encashment	-	5,617
Employer's central provident fund contributions	159,816	138,226
Health lifestyle benefit	-	4,466
Salaries and bonuses	1,013,720	883,971
Staff insurance	11,029	8,294
Staff training	31,105	4,034
Staff transport	88	6,013
Staff welfare	11,413	3,704
	<u>1,227,171</u>	<u>1,054,325</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

16. Other operating expenses

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Advertisement expenses	188	3,833
Books and periodicals expenses	246	244
Cleaning expenses	19,027	16,896
Copier leasing expenses	2,311	2,311
Counselling expenses	3,060	3,232
General expenses	1,780	1,835
General insurance expenses	7,143	1,776
Information technology support expenses	11,570	9,678
Maintenance and housekeeping expenses	11,133	8,480
Medical and dental expenses	256	396
Meeting expenses	1,035	-
Minor equipment expensed off	254	686
Office supplies expenses	2,866	2,734
Photocopying and leasing expenses	6,638	6,638
Postage and courier expenses	698	555
Printing and stationery expenses	9,358	19,315
Programme expenses	4,878	3,220
Rental expenses	10,400	13,972
Service charges	17,035	19,893
Share of manpower costs	-	5,604
Telecommunication expenses	11,963	11,523
Town council expenses	1,503	1,487
Transaction fees	78	448
Transportation expenses	4,840	19,210
Utility charges	18,233	13,153
Website design and development expenses	295	-
	<u>146,788</u>	<u>167,119</u>

17. Related parties transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related party if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

17. Related parties transactions (continued)

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Foundation and related parties at terms agreed between the parties:

Significant transactions with related parties:

	<u>2015</u> S\$	<u>2014</u> S\$
Grant from Foundation of Rotary Clubs (Singapore) Ltd.	<u>20,333</u>	<u>15,505</u>

18. Key management personnel compensation

The number of key management personnel in remuneration bands is as follows:

	<u>2015</u> S\$	<u>2014</u> S\$
Remuneration band Between S\$50,001 to \$100,000	<u>1</u>	<u>1</u>

19. Financial instruments, financial risks and capital risks management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting year.

	<u>2015</u> S\$	<u>2014</u> S\$
<u>Financial assets:</u>		
Trade and other receivables	163,868	378,135
Cash and cash equivalents	<u>3,636,372</u>	<u>2,738,336</u>
	<u>3,800,240</u>	<u>3,116,471</u>
<u>Financial liabilities:</u>		
Other payables	<u>87,664</u>	<u>89,302</u>
	<u>87,664</u>	<u>89,302</u>

(b) Financial risk management objectives and policies

The Foundation's activities expose it to interest rate risk, credit risk, liquidity risk and management of the Foundation Fund risk. The Foundation does not speculate in the currency markets or hold or issue derivatives financial instruments. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Interest rate risk management

The Foundation's exposure to interest rate risk is minimal and relates primarily to the deposits placed with reputable financial institutions on short-term tenures on a fixed rate basis.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

19. Financial instruments, financial risks and capital risks management *(continued)*

(b) Financial risk management objectives and policies *(continued)*

(ii) Credit risk management

The carrying amounts of trade and other receivables and cash and cash equivalents represent the Foundation's maximum exposure to credit risk. As at 30 June 2015, there were significant concentrations of credit risk in respect of trade and other receivables (Note 6).

The Foundation exercises reasonable care and take adequate steps under each circumstance to ascertain that proper actions are to ensure that its trade and other receivables are, generally, of acceptable credit risk to the Foundation.

(iii) Liquidity risk management

Liquidity risk is the risk the Foundation is unable to meet its cash flow obligations as and when they fall due.

The Foundation monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Foundation's operations.

The following table details the remaining contractual maturity for the Foundation's financial liabilities based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<u>Less than 1 year</u>	
	<u>2015</u>	<u>2014</u>
	\$	\$
Other payables	<u>87,664</u>	<u>89,302</u>

(iv) Management of the Foundation's funds

The Foundation's objectives when managing funds are:

- (a) to safeguard the Foundation's ability to continue as a going concern; and
- (b) to support the Foundation's stability in growth.

The Foundation actively and regularly reviews and manages its fund to ensure optimal structure taking into consideration the future fund requirements of the Foundation, projected operating cash flows and projected fund expenditure.

-----End of audited financial statements-----