

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

ROS Reg. No ROS 0353/2002/WEL
(Registered in the Republic of Singapore)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2007**



L Y LEONG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

545 Orchard Road #09-01 Far East Shopping Centre
Singapore 238882 Tel: 6838 7088 Fax: 6838 7083
Email: lyleong@lyleongco.com.sg

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY
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**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2007**

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QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY
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STATEMENT BY THE MANAGEMENT COMMITTEE

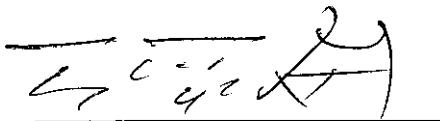
The Management Committee of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY presents their report and the audited financial statements for the year ended 31st March 2007.

Before the balance sheet, income and expenditure statement, statement of changes in accumulated funds and cash flow statement were made out, the Management Committee took reasonable steps to ensure that : -

- (a) all income of the Centre has been recorded,
- (b) any current assets which were unlikely to realise their book values in the ordinary course of events have been written down to their estimated realisable values and
- (c) proper records of fees, donations, grants, payments and other items have been kept.

In the opinion of the Management Committee, the financial statements as set out on pages 3 to 14 are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY as at 31st March 2007 and of the results, changes in accumulated surplus and cash flows of the Centre for the financial year ended on that date.

On behalf of the Management Committee



KUN KAY HONG
CHAIRMAN



CHEONG KAH MENG
HONORARY TREASURER

12th July 2007

AUDITORS' REPORT TO THE MEMBERS OF

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

(Registered in the Republic of Singapore)

We have audited the accompanying financial statements of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY set out on pages 3 to 14, which comprise the balance sheet as at 31st March 2007, the income and expenditure statement, the statement of changes in accumulated surplus and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about 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 the 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.

In our opinion, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY as at 31st March 2007 and the results, changes in accumulated surplus and cash flows of the centre for the year ended on that date; and



L Y LEONG & COMPANY
Certified Public Accountants

Singapore
12th July 2007

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

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BALANCE SHEET AS AT 31ST MARCH 2007

	Note	2007 S\$	2006 S\$
ASSETS LESS LIABILITIES			
Non-current assets			
Plant and equipment	3	42,388	76,546
Current assets			
Accounts receivable and deposits	4	3,480	40,568
Cash at bank and in hand	6	194,019	311,257
		197,499	351,825
Less:			
Current liability			
Accounts payable		7,703	8,743
Net current assets		189,796	343,082
NET ASSETS		<u>232,184</u>	<u>419,628</u>
ACCUMULATED SURPLUS		<u>232,184</u>	<u>419,628</u>

The notes on pages 8 to 14 form an integral part of the financial statements.

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

(Registered in the Republic of Singapore)

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	Note	2007 S\$	2006 S\$
INCOME			
CDC grants		30,341	53,333
CDC bus subsidy		4,265	3,045
Donations		4,350	54,250
Interest income		2,937	2,663
Rental income		-	1,110
Service fee income		366,293	322,338
Others		106	-
		<u>408,292</u>	<u>436,739</u>
LESS : EXPENDITURE			
Accountancy fees		5,700	5,500
Audit fees		1,000	1,000
Bank charges		54	84
Cleaning expenses		3,897	2,765
CPF, SDF and FWL		35,017	31,839
Depreciation	3	36,747	40,135
Food and beverages		36,692	40,005
General expenses		4,601	7,806
Insurance		2,434	11,081
Professional and licence fees		5,730	4,830
Kitchen expenses		716	1,203
Medical fees		1,627	6,597
Periodicals and subscriptions		363	471
Postages		-	334
Printing and stationery		3,259	7,317
Recruitment		-	217
Rental of premises		16,960	16,960
Repairs and maintenance		4,260	5,939
Salaries and allowances		322,965	339,136
Service fees		11,850	5,225
Special events		1,636	1,307

The notes on pages 8 to 14 form an integral part of the financial statements.

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	Note	2007 S\$	2006 S\$
Staff welfare		1,855	1,300
Telephone and faxes		2,795	4,103
Training		697	690
Transport		36,888	34,059
Uniform and T-shirts		1,771	52
Upkeep of motor vehicles		30,244	29,384
Utilities		25,978	26,219
		<u>595,736</u>	<u>625,558</u>
DEFICIT FOR THE YEAR		<u>(187,444)</u>	<u>(188,819)</u>

The notes on pages 8 to 14 form an integral part of the financial statements.

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY
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**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED 31ST MARCH 2007**

	Accumulated surplus S\$	Total S\$
Balance as at 1st April 2005	608,447	608,447
Deficit for the year	(188,819)	(188,819)
Balance as at 31st March 2006	419,628	419,628
Deficit for the year	(187,444)	(187,444)
Balance as at 31st March 2007	232,184	232,184

The notes on pages 8 to 14 form an integral part of the financial statements.

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	2007 S\$	2006 S\$
Cash flows from operating activities		
Deficit for the year	(187,444)	(188,819)
Adjustments for :		
Interest income	(2,937)	(2,663)
Depreciation	36,747	40,135
Operating deficit before working capital changes	(153,634)	(151,347)
Accounts receivable	37,088	296,984
Accounts payable	(1,040)	(9,092)
Net cash (used in) / from operating activities	(117,586)	136,545
Cash flows from investing activities		
Interest received	2,937	2,663
Purchase of plant and equipment	(2,589)	(11,409)
Net cash from / (used in) investing activities	348	(8,746)
Net (decrease) / increase in cash at bank and in hand	(117,238)	127,799
Cash at bank and in hand at beginning of year	311,257	183,458
Cash at bank and in hand at end of year	194,019	311,257

The notes on pages 8 to 14 form an integral part of the financial statements.

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

1. MULTI-SERVICE CENTRE INFORMATION

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY is registered as a society and as a charity under the Charities Act on 2nd September 2004 bearing registration number 1805.

The registered address of the Centre is located at Blk 150A Mei Chin Road #01-01 Singapore 140150.

The principal objective of the Centre is to run and operate a day care and rehabilitation centre for the elderly.

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 have been prepared on a historical cost basis.

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

The financial statements are presented in Singapore Dollars (SGD).

(b) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Centre's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Functional currency

The management has determined the currency of the primary economic environment in which the Centre operates i.e. functional currency, to be SGD. Income and major operating expenditure are primarily influenced by fluctuations in SGD.

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value. All items of plant and equipment are initially recorded at cost.

The initial cost of plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and directly attributable costs of bringing the asset to its working condition and location for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the profit and loss account in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item, of plant and equipment beyond its originally assessed standard or performance, the expenditure is capitalised as an additional cost of plant and equipment.

Depreciation is computed on a straight-line basis over the estimated useful life of the asset as follows:

Furniture and equipment	3 years
Office equipment	3 years
Building fixtures and renovation	3 years
Motor vehicles	7 years

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of plant and equipment.

(e) Impairment of non-financial assets

The Centre assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Centre makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the profit and loss account as "impairment losses" or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for that same asset.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the profit and loss account unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the profit and loss account is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(f) Cash and cash equivalents

Cash in hand and in banks are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

(g) Employee benefits

(i) Defined contribution plans

The Centre makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Operating lease

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expenditure in the income and expenditure statement on a straight-line basis over the lease term.

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

(i) Income tax

The Centre, as a charity, is exempted from income tax if it spends not less than 80% of its income and donations received on charities and charitable objectives in Singapore. No provision for income tax is made in the financial statements.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Centre and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Donations

Donations are recognised when received.

(ii) Service fee income

Income from provision of services is recognised when the relevant services are provided and invoiced.

(iii) CDC grants

Income from Central Singapore CDC matching grant is recognised when received.

(iv) Interest income

Interest income is recognised as interest accrues (using the effective interest method) unless collectibility is in doubt.

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

3. PLANT AND EQUIPMENT

	Furniture & equipment S\$	Office equipment S\$	Building fixtures & renovation S\$	Motor vehicles S\$	Total S\$
2007					
Cost					
At 1st April 2006	101,132	32,290	177,487	202,000	512,909
Additions	1,039	1,550	-	-	2,589
Disposals	-	-	-	-	-
At 31st March 2007	<u>102,171</u>	<u>33,840</u>	<u>177,487</u>	<u>202,000</u>	<u>515,498</u>
Accumulated depreciation					
At 1st April 2006	93,579	29,011	177,487	136,286	436,363
Additions	5,576	2,314	-	28,857	36,747
Disposals	-	-	-	-	-
At 31st March 2007	<u>99,155</u>	<u>31,325</u>	<u>177,487</u>	<u>165,143</u>	<u>473,110</u>
Net book value At 31st March 2007	<u>3,016</u>	<u>2,515</u>	<u>-</u>	<u>36,857</u>	<u>42,388</u>
2006					
Cost					
At 1st April 2005	94,166	27,847	177,487	202,000	501,500
Additions	6,966	4,443	-	-	11,409
Disposals	-	-	-	-	-
At 31st March 2006	<u>101,132</u>	<u>32,290</u>	<u>177,487</u>	<u>202,000</u>	<u>512,909</u>
Accumulated depreciation					
At 1st April 2005	86,523	25,639	176,637	107,429	396,228
Additions	7,056	3,372	850	28,857	40,135
Disposals	-	-	-	-	-
At 31st March 2006	<u>93,579</u>	<u>29,011</u>	<u>177,487</u>	<u>136,286</u>	<u>436,363</u>
Net book value At 31st March 2006	<u>7,553</u>	<u>3,279</u>	<u>-</u>	<u>65,714</u>	<u>76,546</u>

QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

4. ACCOUNTS RECEIVABLE AND DEPOSITS

	2007 S\$	2006 S\$
Accounts receivable	1,740	9,169
Deposits	1,740	1,740
Matching donations with CDC (note 5)	-	29,659
	<u>3,480</u>	<u>40,568</u>

5. MATCHING DONATIONS WITH CDC

Movements in matching donations with CDC (note 4) :

	2007 S\$	2006 S\$
Balance at beginning of year	29,659	56,325
Donations refunded by CDC	(29,659)	(26,666)
Balance at end of year	<u>-</u>	<u>29,659</u>

6. CASH AT BANK AND IN HAND

	2007 S\$	2006 S\$
Cash in hand	1,800	1,093
Cash at bank	48,861	169,383
Fixed deposits	143,358	140,781
	<u>194,019</u>	<u>311,257</u>

7. EMPLOYEE BENEFITS EXPENSE

	2007 S\$	2006 S\$
Staff salaries and related costs	328,218	347,084
Staff CPF contributions	35,017	31,839
	<u>363,235</u>	<u>378,923</u>

8. FINANCIAL RISK MANAGEMENT

The main risks arising from the Centre's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The Centre reviews and agrees policies for managing each of these risks and they are summarised below:

Interest rate risk

The Centre is exposed to interest rate risk through the impact of rate changes on the Centre's bank balances. The Centre's policy is to manage its interest cost using a mix of fixed and variable rate debt.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

8. FINANCIAL RISK MANAGEMENT (cont'd)

Credit risk

The credit risk of the Centre involves the risk that counterparties may be unable to meet the terms of their agreements. The Centre has no major concentration of credit risk.

The Centre places its cash with creditworthy institutions.

The carrying amount of financial assets recorded in the financial statements, net of any provision of losses, represents the Centre's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Liquidity risk

In the management of liquidity risk, the Centre monitors and maintains a level of bank balances deemed adequate by the Management Committee to finance the Centre's operations and mitigate the effects of fluctuations in cash flows.

Foreign exchange risk

The Centre's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. It is the Centre's policy not to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

Fair value of financial assets and financial liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

9. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31st March 2007 were authorised for issue in accordance with a resolution of the Management Committee on 12th July 2007.