

**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 2006**



**L Y LEONG & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY**  
(Registered in the Republic of Singapore)

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2006**

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

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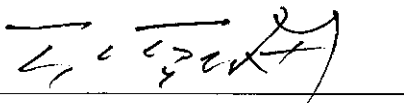
The Management Committee of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY presents their report and the audited financial statements for the year ended 31st March 2006.

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 present fairly the state of affairs of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY as at 31st March 2006 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



**CLARA LEE SHAN HUA**  
HONORARY TREASURER

25th January 2007

AUDITORS' REPORT TO THE MEMBERS OF

**QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY**

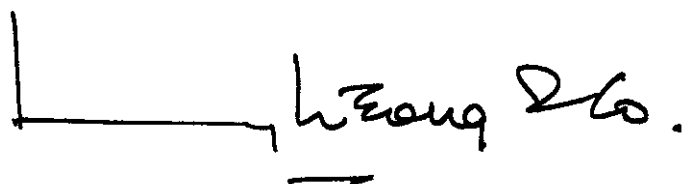
(Registered in the Republic of Singapore)

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We have audited the financial statements of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY as set out on pages 3 to 14 for the financial year ended 31st March 2006. These financial statements are the responsibility of the Management Committee. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management Committee, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards and so as to present fairly the state of affairs of QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY as at 31st March 2006 and the results, changes in accumulated surplus and cash flows of the Centre for the financial year ended on that date.

A handwritten signature in black ink, appearing to read 'L Y Leong & Co.', with a horizontal line underneath the signature.

**L Y LEONG & COMPANY**  
Certified Public Accountants

Singapore

25th January 2007

**QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY**  
(Registered in the Republic of Singapore)

**BALANCE SHEET**  
**AS AT 31ST MARCH 2006**

	Note	2006 S\$	2005 S\$
<b>ASSETS LESS LIABILITIES</b>			
<b>Non-current assets</b>			
Plant and equipment	3	76,546	105,272
<b>Current assets</b>			
Accounts receivable	4	40,568	337,552
Cash at bank and in hand	6	311,257	183,458
		<b>351,825</b>	521,010
Less:			
<b>Current liability</b>			
Accounts payable		8,743	17,835
<b>Net current assets</b>		<b>343,082</b>	503,175
<b>NET ASSETS</b>		<b>419,628</b>	608,447
<b>ACCUMULATED SURPLUS</b>		<b>419,628</b>	608,447

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 2006

	Note	2006 S\$	2005 S\$
<b>INCOME</b>			
CDC grants		53,333	216,665
CDC bus subsidy		3,045	3,726
Donations		54,250	314,774
Interest income		2,663	1,592
Rental income		1,110	-
Service fee income		322,338	211,299
		<u>436,739</u>	<u>748,056</u>
<b>LESS : EXPENDITURE</b>			
Accountancy fees		5,500	4,300
Audit fees		1,000	1,000
Bank charges		84	84
Cleaning expenses		2,765	3,045
CPF and FWL		31,839	28,869
Depreciation	3	40,135	37,622
Food and beverages		40,005	53,023
General expenses		7,806	5,664
Insurance		11,081	6,878
ISO consultancy fees		4,830	2,625
Kitchen expenses		1,203	1,659
Licence fees		-	2,130
Medical fees		6,597	7,687
Periodicals and subscriptions		471	407
Postages		334	398
Printing and stationery		7,317	7,003
Recruitment		217	127
Rental of premises		16,960	16,960
Repairs and maintenance		5,939	6,105
Salaries and allowances		339,136	335,740
Service fees		5,225	-
Special events		1,307	59,779

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 2006

	Note	2006 S\$	2005 S\$
Staff welfare		1,300	1,110
Telephone and faxes		4,103	4,571
Training		690	1,946
Uniform and T-shirts		52	1,170
Upkeep of motor vehicles		63,443	57,749
Utilities		26,219	26,467
		<u>625,558</u>	<u>674,118</u>
<b>(DEFICIT) / SURPLUS FOR THE YEAR</b>		<u><u>(188,819)</u></u>	<u><u>73,938</u></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)

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS  
FOR THE YEAR ENDED 31ST MARCH 2006**

	<b>Accumulated surplus S\$</b>	<b>Total S\$</b>
<b>Balance as at 1st April 2004</b>	534,509	534,509
Surplus for the year	73,938	73,938
<b>Balance as at 31st March 2005</b>	608,447	608,447
Deficit for the year	(188,819)	(188,819)
<b>Balance as at 31st March 2006</b>	419,628	419,628

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)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006

	2006 S\$	2005 S\$
<b>Cash flows from operating activities</b>		
<b>(Deficit) / surplus for the year</b>	<b>(188,819)</b>	73,938
Adjustments for :		
Interest income	(2,663)	(1,592)
Depreciation	40,135	37,622
<b>Operating (deficit) / surplus before working capital changes</b>	<b>(151,347)</b>	109,968
Accounts receivable	296,984	(255,745)
Accounts payable	(9,092)	14,422
<b>Net cash from / (used in) operating activities</b>	<b>136,545</b>	(131,355)
<b>Cash flows from investing activities</b>		
Interest received	2,663	1,592
Purchase of plant and equipment	(11,409)	(11,798)
<b>Net cash used in investing activities</b>	<b>(8,746)</b>	(10,206)
<b>Net increase / (decrease) in cash at bank and in hand</b>	<b>127,799</b>	(141,561)
<b>Cash at bank and in hand at beginning of year</b>	<b>183,458</b>	325,019
<b>Cash at bank and in hand at end of year</b>	<b>311,257</b>	183,458

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)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

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### 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) Changes in accounting policies

On 1st April 2005, the Centre adopted all the new or revised FRS that are relevant to its operations and mandatory for annual financial periods beginning on or after 1st January 2005. The adoption of the new / revised FRS has no material effect on the financial statements.

#### (c) 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 company'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.

# QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

(Registered in the Republic of Singapore)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

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### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (d) Functional currency

The management has determined the currency of the primary economic environment in which the company operates i.e. functional currency, to be SGD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

#### (e) 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.

#### (f) Impairment of assets

Assets are reviewed for impairment 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 the profit and loss account.

# QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

(Registered in the Republic of Singapore)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

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### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (f) Impairment of assets (cont'd)

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) 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.

#### (h) Employee benefits

##### (i) Defined contribution plans

The company 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.

#### (i) 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 expense in the profit and loss account 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.

# QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

(Registered in the Republic of Singapore)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

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### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (j) 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.

#### (k) 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

(Registered in the Republic of Singapore)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

### 3. PLANT AND EQUIPMENT

	Furniture & equipment S\$	Office equipment S\$	Building fixtures & renovation S\$	Motor vehicles S\$	Total S\$
<b>2006</b>					
<b>Cost</b>					
At 1st April 2006	102,429	19,584	177,487	202,000	501,500
Additions	6,966	4,443	-	-	11,409
Disposals	-	-	-	-	-
At 31st March 2006	109,395	24,027	177,487	202,000	512,909
<b>Accumulated depreciation</b>					
At 1st April 2006	94,786	17,376	176,637	107,429	396,228
Additions	7,056	3,372	850	28,857	40,135
Disposals	-	-	-	-	-
At 31st March 2006	101,842	20,748	177,487	136,286	436,363
<b>Net book value</b>					
At 31st March 2006	7,553	3,279	-	65,714	76,546
<b>2005</b>					
<b>Cost</b>					
At 1st April 2004	93,527	16,688	177,487	202,000	489,702
Additions	8,902	2,896	-	-	11,798
Disposals	-	-	-	-	-
At 31st March 2005	102,429	19,584	177,487	202,000	501,500
<b>Accumulated depreciation</b>					
At 1st April 2004	88,113	16,134	175,787	78,572	358,606
Additions	6,673	1,242	850	28,857	37,622
Disposals	-	-	-	-	-
At 31st March 2005	94,786	17,376	176,637	107,429	396,228
<b>Net book value</b>					
At 31st March 2005	7,643	2,208	850	94,571	105,272

# QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

(Registered in the Republic of Singapore)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

### 4. OTHER RECEIVABLES

	2006 S\$	2005 S\$
Accounts receivables	9,169	-
Amount due from Community Development Council	-	275,097
Deposits	1,740	1,380
Prepayments	-	4,750
Matching donations with CDC (note 5)	29,659	56,325
	<u>40,568</u>	<u>337,552</u>

### 5. MATCHING DONATIONS WITH CDC

Movements in matching donations with CDC (note 4) :

	2006 S\$	2005 S\$
Balance at beginning of year	56,325	71,382
Donations forwarded to CDC	-	93,276
Donations refunded by CDC	(26,666)	(108,333)
Balance at end of year	<u>29,659</u>	<u>56,325</u>

### 6. CASH AT BANK AND IN HAND

	2006 S\$	2005 S\$
Cash in hand	1,093	2,316
Cash at bank	169,383	42,098
Fixed deposits	140,781	139,044
	<u>311,257</u>	<u>183,458</u>

The fixed deposits are pledged to a financial institution for guarantee facilities granted to the Centre

### 7. EMPLOYEE BENEFITS EXPENSE

	2006 S\$	2005 S\$
Staff salaries and related costs	338,574	339,327
Staff CPF contributions	31,839	28,869
	<u>370,413</u>	<u>368,196</u>

# QUEENSTOWN MULTI-SERVICE CENTRE FOR THE ELDERLY

(Registered in the Republic of Singapore)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2006

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### 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.

#### 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 2006 were authorised for issue in accordance with a resolution of the Management Committee on 25th January 2007.