

QUEENSTOWN MULTI-SERVICE CENTRE

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2004**

**LAU CHIN HUAT & CO.
Certified Public Accountants**

QUEENSTOWN MULTI-SERVICE CENTRE

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2004

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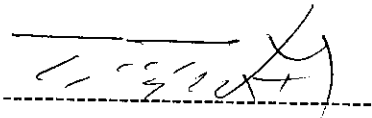
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QUEENSTOWN MULTI-SERVICE CENTRE

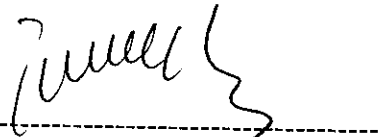
STATEMENT BY BOARD OF MANAGEMENT COMMITTEE MEMBERS

In our opinion, the accompanying financial statements set out on pages 3 to 13 are properly drawn up in accordance with the books and vouchers of Queenstown Multi-Service Centre and Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of the Centre as at 31 March 2004, the results and changes in retained surplus of Queenstown Multi-Service Centre for the year ended on that date.

On behalf of the Board



Kun Kay Hong
Chairman



Tan Voo Moi
Honorary Secretary



Clara Lee
Honorary Treasurer

劉進發會計師事務所

特許會計師

LAU CHIN HUAT & CO

Certified Public Accountants

QUEENSTOWN MULTI-SERVICE CENTRE

FINANCIAL STATEMENTS - 31 MARCH 2004

AUDITORS' REPORT

We have audited the financial statements of the Queenstown Multi-Service Centre set out on pages 3 to 13. The financial statements are the responsibility of the Management Committee. Our responsibility is to express an opinion on the 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 accompanying financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Queenstown Multi-Service Centre as at 31 March 2004 and its deficit and statement of changes in retained surplus for the financial year ended on that date.



LAU CHIN HUAT & CO.
Certified Public Accountants

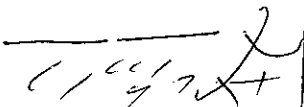
06 MAY 2005
SINGAPORE

QUEENSTOWN MULTI-SERVICE CENTRE

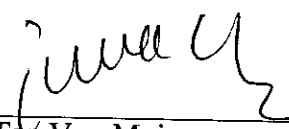
BALANCE SHEET AS AT 31 MARCH 2004

	NOTE	2004 S\$	2003 S\$
Non-current asset			
Plant and equipment	4	131,095	169,951
Current assets			
Deposits & prepayments	5	10,426	2,726
Seed donation at CDC	6	71,382	139,612
Cash and cash equivalents	7	325,019	329,875
		406,827	472,213
Current liability			
Accruals		3,413	1,700
Net current assets		403,414	470,513
Net assets		534,509	640,464
Retained surplus		534,509	640,464

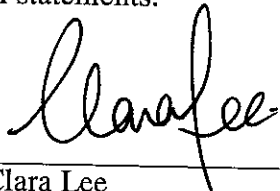
The annexed notes form an integral part of these financial statements.



 Kun Kay Hong
 Chairman
 06 MAY 2005



 Tan Voo Moi
 Honorary Secretary



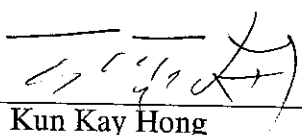
 Clara Lee
 Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

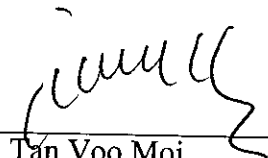
INCOME & EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2004

	NOTE	2004 S\$	2003 S\$
INCOME			
Donation		13,019	62,550
Expenses written back		-	3,226
Fixed deposit interest		593	3,419
Grants from CDC		243,750	319,687
Interest income		827	1,652
Sundry income		403	825
Rental & utilities income		3,202	6,759
Service fee income		221,160	246,273
		482,954	644,391
 Less : EXPENDITURE			
Accountancy fee		4,300	3,900
Advertising		999	1,760
Allowance		3,100	1,890
Audit fee		1,000	1,000
Bank charges		129	129
Cleaning expenses		3,339	2,712
CPF SDL & FWL		24,718	24,148
Depreciation	4	47,357	48,867
Food & beverages		45,232	44,133
General expense		11,936	5,520
Insurance		1,246	12,811
ISO consultancy fee		1,664	-
Kitchenware expense		2,192	179
Balance carried forward		147,212	147,049

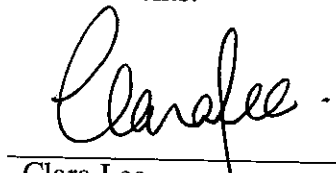
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 Kun Kay Hong
 Chairman
 06 MAY 2005



 Tan Voo Moi
 Honorary Secretary



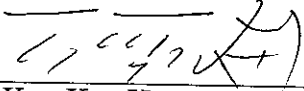
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QUEENSTOWN MULTI-SERVICE CENTRE

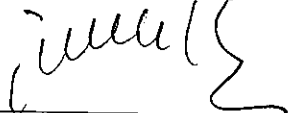
INCOME & EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2004 – (Continued)

	2004 S\$	2003 S\$
Balance brought forward	147,212	147,049
License fee	100	800
Medical expenses	2,564	2,053
Newspaper	305	249
Outing expense	412	1,141
Photography charges	515	1,601
Postage	533	849
Professional fee	2,600	-
Printing & stationery	3,359	2,602
Rental of premises	16,825	16,677
Repairs & maintenance	11,793	7,148
Recruitment	95	355
Salaries & allowances	308,644	319,162
Seminars & talks	-	14
Special events	3,483	2,282
Staff welfare	1,360	3,255
Telephone & fax charges	3,495	2,720
Towels	313	59
Training	2,084	3,721
Uniforms & T-shirts	3,456	4,676
Upkeep of motor vehicles	55,936	51,834
Utilities	23,683	20,690
VCDS/LDS/Video Tapes	142	179
	588,909	589,116
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR	(105,955)	55,275

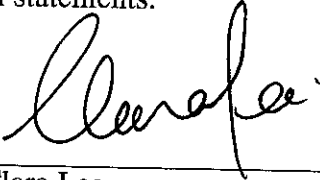
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Kun Kay Hong
Chairman
06 MAY 2005



Tan Voo Moi
Honorary Secretary



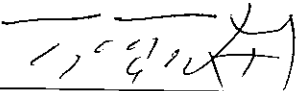
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Honorary Treasurer

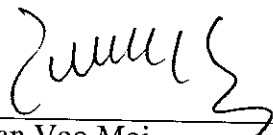
QUEENSTOWN MULTI-SERVICE CENTRE


STATEMENT OF CHANGES IN RETAINED SURPLUS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2004

	Retained Surplus S\$	Total S\$
Balance at 1 April 2003	640,464	640,464
(Deficit) for the financial year	<u>(105,955)</u>	<u>(105,955)</u>
Balance at 31 March 2004	<u>534,509</u>	<u>534,509</u>
Balance at 1 April 2002	585,189	585,189
Surplus for the financial year	<u>55,275</u>	<u>55,275</u>
Balance at 31 March 2003	<u>640,464</u>	<u>640,464</u>

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


Kun Kay Hong
Chairman
06 MAY 2005


Tan Voo Moi
Honorary Secretary

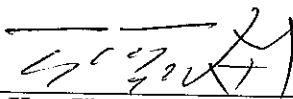

Clara Lee
Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2004

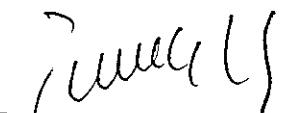
	2004 S\$	2003 S\$
Operating activities:		
(Deficit)/surplus from ordinary activities before taxation	(105,955)	55,275
Adjustment:		
Depreciation	47,357	48,867
Operating (deficit)/surplus before working capital changes	<u>(58,598)</u>	<u>104,142</u>
Changes in working capital:-		
Deposits & prepayments	(7,700)	-
Seed donation at CDC	68,230	(75,785)
Accruals	1,713	(2,377)
Cash provided by operations	<u>3,645</u>	<u>25,980</u>
Income tax paid	-	-
Net cash provided by operating activities	<u>3,645</u>	<u>25,980</u>
Cash flow from financing activity:		
Purchase of plant and equipment	(8,501)	(61,996)
Net cash provided by financing activity	<u>(8,501)</u>	<u>(61,996)</u>
Net (decrease) in cash and cash equivalents	(4,856)	(36,016)
Cash and cash equivalents at beginning of financial year	329,875	365,891
Cash and cash equivalents at end of financial year (Note 7)	<u>325,019</u>	<u>329,875</u>

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



Kun Kay Hong
Chairman

06 MAY 2005



Tan Voo Moi
Honorary Secretary



Clara Lee
Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004

These notes form an integral part of the financial statements.

1. GENERAL

The financial statements of Queenstown Multi-Service Centre (the "Centre") for the year ended 31 March 2004 were authorised for issue in accordance with a Management Committee Meeting held on

The Centre is registered with the Registrar of Societies on 17 March 2003.

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

The Centre operates in Singapore and employed 29 employees as at 31 March 2004 (2003: 21).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements, expressed in Singapore dollars, are prepared under the historical cost convention and in accordance Singapore Financial Reporting Standards (FRS). In previous financial year, the financial statements were prepared in accordance with Singapore Statements of Accounting Standard (SAS). The transition from SAS to FRS did not result in any significant change in accounting policies.

The financial statements are presented in Singapore Dollars (SGD or S\$).

(b) 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.

Reversal of impairment losses required 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 or as a revaluation increase. 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.

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004 – (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(c) Depreciation

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Furniture & fittings	3 years
Office equipment	3 years
Education & publicity equipment	3 years
Rehabilitation & medical equipment	3 years
Kitchen equipment	3 years
Land scape & building fixtures	3 years
Renovation	3 years
Signage	3 years
Motor vehicles	7 years

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks and fixed deposits which are subject to insignificant risk of changes in values.

Cash on hand and in banks and fixed deposits which are held to maturity are carried at cost.

(e) Provisions

Provisions are recognized when the Centre 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.

(f) Revenue recognition

Revenue from service fee income is recognised upon completion of services.

Donations are recognised in the income and expenditure accounts as and when received.

Interest income is recognised on an accrual basic.

Rental income is recognised on an accrual basic.

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004 – (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(g) Employee benefits

Pension obligations

As required by law, the Centre 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.

Employee leaves entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

(h) Operating lease

Operating lease payments are charged to the income statement on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

(i) Government grants

Expense related grants are recognised as income in the period in which the respective expenses are incurred.

(j) Financial instruments

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, trade and other accounts receivable and payables and loans. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

3. PRINCIPAL FUNCTIONS

The principal function of the Centre is rehabilitation and running of the day care centre for the elderly.

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004 - (Continued)

4. PLANT AND EQUIPMENT

	Furniture & fittings S\$	Office equipment S\$	Education & publicity equipment S\$	Rehabilitation & medical equipment S\$	Kitchen equipment S\$	Landscape & building fixtures S\$	Renovation S\$	Signage S\$	Motor vehicles S\$	Total S\$
Cost										
As at 01.04.2003	31,224	15,858	8,263	39,385	9,532	24,067	146,504	4,366	202,000	481,199
Additions	3,493	830	-	368	1,260	-	2,550	-	-	8,501
As at 31.03.2004	34,717	16,688	8,263	39,753	10,792	24,067	149,054	4,366	202,000	489,700
Accumulated depreciation										
As at 01.04.2003	28,339	14,452	7,870	33,205	9,194	20,941	143,507	4,026	49,714	311,248
Charge for the year	3,885	1,682	196	4,664	760	3,125	3,848	340	28,857	47,357
As at 31.03.2004	32,224	16,134	8,066	37,869	9,954	24,066	147,355	4,366	78,571	358,605
Charge for last year	3,897	1,558	196	5,507	523	3,625	4,364	340	28,857	48,867
Net book value										
As at 31.03.2003	2,885	1,406	393	6,180	338	3,126	2,997	340	152,286	169,951
As at 31.03.2004	2,493	554	197	1,884	838	1	1,699	-	123,429	131,095

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004 – (Continued)

5. DEPOSITS AND PREPAYMENTS

	2004 S\$	2003 S\$
Deposits	5,726	2,726
Prepayments	4,700	-
	10,426	2,726

6. SEED DONATION AT COMMUNITY DEVELOPMENT COUNCIL

	2004 S\$	2003 S\$
Balance at beginning of the financial year	139,612	63,827
Add : Contribution	13,020	161,850
Add : Fixed deposit interest	-	2,687
Less : Matching grant subsidy	(81,250)	(88,752)
Balance at end of the financial year	71,382	139,612

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank balances and fixed deposits. Cash and cash equivalents in the cash flow statement comprise the following balance sheet account:

	2004 S\$	2003 S\$
Cash and bank balances	187,100	192,548
Fixed deposits	137,919	137,327
	325,019	329,875

8. STAFF COSTS

	2004 S\$	2003 S\$
Wages and salaries	308,644	319,162
Employer's contribution to Central Provident Fund	24,718	24,148
Other benefits	3,924	5,308
	337,286	348,618

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2004 – (Continued)

9. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Company has commitments in respect of operating leases with a term of more than one year as follows:

	2004	2003
	S\$	S\$
Within 1 year	16,960	15,246
After 1 year and within 5 years	-	-
	16,960	15,246

10. FINANCIAL RISK MANAGEMENT

The Centre's activities expose it to a variety of financial risks, including the effects of changes in interest rates and credit risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides guidelines for overall risk management as well as policies covering specific areas.

(i) Interest rate risk

Interest rate risk arises from interest bearing assets.

The Centre monitors the interest rates on interest bearing assets closely to ensure that favourable rates are secured.

(ii) Credit risk

Credit risk arises from exposure to a few major customers.

The Centre has policies in place to ensure that sales of its products are made to customers with adequate financial standing and appropriate credit history.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding. The Centre maintains sufficient cash and bank balances for its operating requirements.

Fair value

The carrying amounts of the Centre's financial assets and liabilities approximate to their fair value.