

QUEENSTOWN MULTI-SERVICE CENTRE

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005**

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

QUEENSTOWN MULTI-SERVICE CENTRE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

INDEX

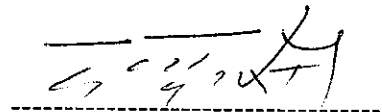
	<u>PAGE NO.</u>
STATEMENT BY BOARD OF MANAGEMENT COMMITTEE MEMBERS	1
AUDITORS' REPORT	2
BALANCE SHEET	3
INCOME AND EXPENDITURE STATEMENT	4 - 5
STATEMENT OF CHANGES IN RETAINED SURPLUS	6
CASH FLOW STATEMENT	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 14

QUEENSTOWN MULTI-SERVICE CENTRE

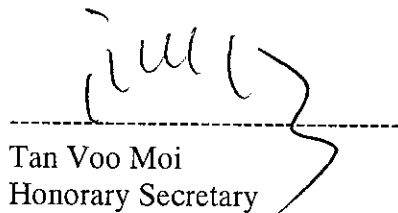
STATEMENT BY BOARD OF MANAGEMENT COMMITTEE MEMBERS

In our opinion, the accompanying financial statements set out on pages 3 to 14 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 2005, the results and changes in retained surplus of Queenstown Multi-Service Centre for the year ended on that date.

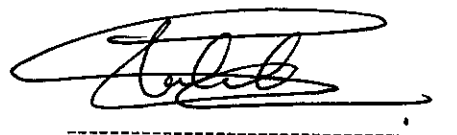
On behalf of the Board



Kun Kay Hong
Chairman



Tan Voo Moi
Honorary Secretary



Clara Lee
Honorary Treasurer

17 OCT 2005

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 2005

AUDITORS' REPORT

We have audited the financial statements of the Queenstown Multi-Service Centre set out on pages 3 to 14. 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 2005 and its surplus and statement of changes in retained surplus for the financial year ended on that date.

Jan Chin Huat

LAU CHIN HUAT & CO.
Certified Public Accountants

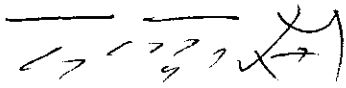
17 OCT 2005
SINGAPORE

QUEENSTOWN MULTI-SERVICE CENTRE

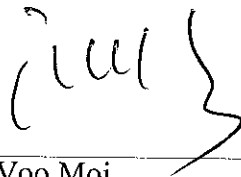
BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005 S\$	2004 S\$
Non-current asset			
Plant & equipment	4	105,271	131,095
Current assets			
Other debtors, deposits & prepayments	5	281,228	10,426
Seed donation at CDC	6	56,325	71,382
Cash and cash equivalents	7	183,458	325,019
		521,011	406,827
Current liability			
Accruals		17,835	3,413
Net current assets		503,176	403,414
Net assets		608,447	534,509
Retained surplus		608,447	534,509

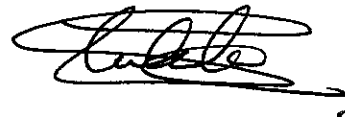
The annexed notes form an integral part of these financial statements.



Kun Kay Hong
Chairman
17 OCT 2005



Tan Voo Moi
Honorary Secretary



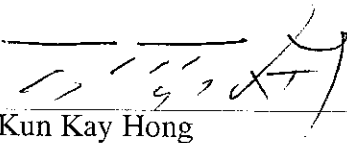
Clara Lee
Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

INCOME & EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

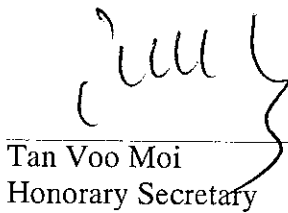
	NOTE	2005 S\$	2004 S\$
INCOME			
CDC Bus Subsidy		3,726	-
Donation		314,774	13,019
Grants from CDC		216,665	243,750
Fixed deposit interest		-	593
Interest income		1,592	827
Sundry income		-	403
Rental & utilities income		-	3,202
Service fee income		211,299	221,160
		748,056	482,954
Less : EXPENDITURE			
Accountancy fee		4,300	4,300
Advertising		-	999
Allowance		4,100	3,100
Audit fee		1,000	1,000
Bank charges		84	129
Bedding expenses		136	-
Celebration		1,894	-
Cleaning expenses		3,045	3,339
CPF, SDL & FWL		28,869	24,718
Depreciation	4	37,622	47,357
Food & beverages		53,023	45,232
Fund raising		57,885	-
General expense		5,522	11,936
Insurance		6,878	1,246
ISO consultancy fee		2,625	1,664
Kitchenware expense		1,659	2,192
Balance carried forward		208,642	147,212

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

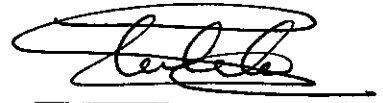


Kun Kay Hong
Chairman

17 OCT 2005



Tan Voo Moi
Honorary Secretary



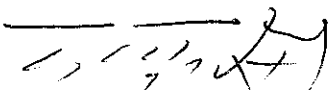
Clara Lee
Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

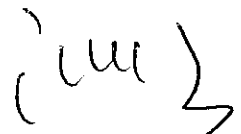
INCOME & EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005 – (Continued)

	2005 S\$	2004 S\$
Balance brought forward	208,642	147,212
License fee	2,130	100
Medical expenses	7,687	2,564
Newspaper	407	305
Outing expense	-	412
Photography charges	708	515
Postage	398	533
Professional fee	-	2,600
Printing & stationery	6,206	3,359
Rental of premises	16,960	16,825
Repairs & maintenance	6,105	11,793
Recruitment	127	95
Salaries & allowances	331,640	308,644
Special events	-	3,483
Staff welfare	1,110	1,360
Telephone & fax charges	4,571	3,495
Towels	6	313
Training	1,946	2,084
Uniforms & T-shirts	1,170	3,456
Upkeep of motor vehicles	57,749	55,936
Utilities	26,467	23,683
VCDS/LDS/Video Tapes	89	142
	674,118	588,909
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	73,938	(105,955)

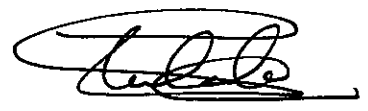
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 Kun Kay Hong
 Chairman
 17 OCT 2005



 Tan Voo Moi
 Honorary Secretary



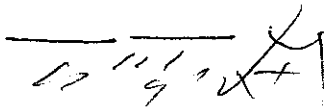
 Clara Lee
 Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

STATEMENT OF CHANGES IN RETAINED SURPLUS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

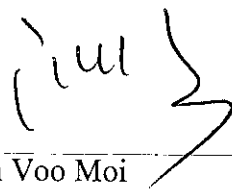
	Retained surplus S\$	Total S\$
Balance at 1 April 2004	534,509	534,509
Surplus for the financial year	<u>73,938</u>	<u>73,938</u>
Balance at 31 March 2005	<u><u>608,447</u></u>	<u><u>608,447</u></u>
Balance at 1 April 2003	640,464	640,464
(Deficit) for the financial year	<u>(105,955)</u>	<u>(105,955)</u>
Balance at 31 March 2004	<u><u>534,509</u></u>	<u><u>534,509</u></u>

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

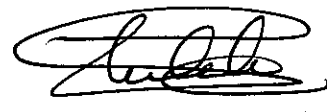


Kun Kay Hong
Chairman

17 OCT 2005



Tan Voo Moi
Honorary Secretary



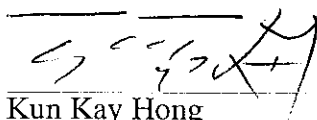
Clara Lee
Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2005

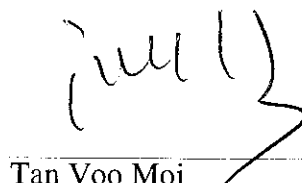
	2005 S\$	2004 S\$
Operating activities:		
Surplus/(deficit) from ordinary activities before taxation	73,938	(105,955)
Adjustments for:		
Depreciation	37,622	47,357
Interest income received	(1,592)	(1,420)
Operating surplus/(deficit) before working capital changes	<u>109,968</u>	<u>(60,018)</u>
Changes in operating assets and liabilities		
Other debtors, deposits & prepayments	(270,802)	(7,700)
Seed donation at CDC	15,057	68,230
Accruals	14,422	1,713
Cash (used in)/provided by operations	<u>(131,355)</u>	<u>2,225</u>
Interest income received	1,592	1,420
Income tax paid	-	-
Net cash (used in)/provided by operating activities	<u>(129,763)</u>	<u>3,645</u>
Cash flow from financing activity:		
Purchase of plant and equipment	(11,798)	(8,501)
Net cash (used in) financing activity	<u>(11,798)</u>	<u>(8,501)</u>
Net (decrease) in cash and cash equivalents	(141,561)	(4,856)
Cash and cash equivalents at beginning of financial year	325,019	329,875
Cash and cash equivalents at end of financial year (Note 7)	<u>183,458</u>	<u>325,019</u>

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

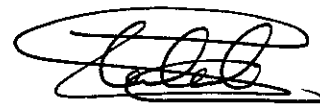


Kun Kay Hong
Chairman

17 OCT 2005



Tan Voo Moi
Honorary Secretary



Clara Lee
Honorary Treasurer

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005

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 2005 were authorised for issue in accordance with a Management Committee Meeting held on 17 OCT 2005

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 23 (2004: 21) employees as at 31 March 2005.

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).

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 2005 – (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

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(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 basis.

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005 – (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(f) Revenue recognition – (Continued)

Rental income is recognised on an accrual basis.

(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 2005 - (Continued)

4. PLANT AND EQUIPMENT

Cost	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\$
As at 01.04.2004	34,717	16,688	8,263	39,753	10,792	24,067	149,054	4,366	202,000	489,700
Additions	178	2,896	-	8,724	-	-	-	-	-	11,798
As at 31.03.2005	34,895	19,584	8,263	48,477	10,792	24,067	149,054	4,366	202,000	501,498
Accumulated depreciation										
As at 01.04.2004	32,224	16,134	8,066	37,869	9,954	24,066	147,355	4,366	78,571	358,605
Charge for the year	1,387	1,242	197	4,669	419	1	850	-	28,857	37,622
As at 31.03.2005	33,611	17,376	8,263	42,538	10,373	24,067	148,205	4,366	107,428	396,227
Charge for last year	3,885	1,682	196	4,664	760	3,125	3,848	340	28,857	47,357
Net book value										
As at 31.03.2004	2,493	554	197	1,884	838	1	1,699	-	123,429	131,095
As at 31.03.2005	1,284	2,208	-	5,939	419	-	849	-	94,572	105,271

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005 – (Continued)

5. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	2005 S\$	2004 S\$
Amount due from Community Development Council	275,098	-
Deposits	1,380	5,726
Prepayments	4,750	4,700
	281,228	10,426

6. SEED DONATION AT COMMUNITY DEVELOPMENT COUNCIL

	2005 S\$	2004 S\$
Balance at beginning of the financial year	71,382	139,612
Add : Contribution	93,276	13,020
Less : Matching grant subsidy	(108,333)	(81,250)
Balance at end of the financial year	56,325	71,382

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:

	2005 S\$	2004 S\$
Cash at bank and in hand	44,414	187,100
Fixed deposits	139,044	137,919
	183,458	325,019

The fixed deposit is pledged to a financial institution for guarantee facilities granted to the Centre.

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005 – (Continued)

8. STAFF COSTS

	2005	2004
	S\$	S\$
Wages and salaries	331,640	308,644
Employer's contribution to Central Provident Fund	28,869	24,718
Other benefits	7,687	3,924
	368,196	337,286

9. OPERATING LEASE COMMITMENTS

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

	2005	2004
	S\$	S\$
Within 1 year	16,960	16,960
After 1 year and within 5 years	-	-
	16,960	16,960

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.

QUEENSTOWN MULTI-SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2005 – (Continued)

10. FINANCIAL RISK MANAGEMENT – (Continued)

(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.