

YONG-EN CARE CENTRE
(Unique Entity No: S96SS0165G)

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2014**

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YONG-EN CARE CENTRE

STATEMENT BY THE MANAGEMENT COMMITTEE

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Cap 311, the Charities Act, Cap 37 and Charities Accounting Standard. 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.

In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of Yong-en Care Centre (the "Centre") as at 31 December 2014 and the results, and cash flows of the Centre for the year then ended; and at the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

The Management Committee has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Management Committee,



Dr. Tsai Kuo Tsing
President



Mrs. Shermaine Tang
Vice President



Mr. Paul Hui
Treasurer

Singapore, 13 March 2015



**Independent Auditors' Report To The Members of
YONG-EN CARE CENTRE**

Report on the Financial Statements

We have audited the accompanying financial statements of Yong-en Care Centre (the "Centre"), which comprise the balance sheet as at 31 December 2014, and the statement of financial activities and statement of cash flows of the Centre for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committee's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Cap 311, the Charities Act, Cap 37 and Charities Accounting Standard, 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 financial activities and balance sheet 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 auditors' 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 auditors consider 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 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.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap 311, the Charities Act, Cap 37 and Charities Accounting Standard so as to present fairly, in all material aspects, the state of affairs of the Centre as at 31 December 2014 and the results, and cash flows of the Centre for the year ended on that date.



**Independent Auditors' Report To The Members of
YONG-EN CARE CENTRE**

Report on other legal and regulatory requirements

In our opinion,

- (a) the accounting and other records required by the regulations enacted under Societies Act to be kept by the Centre have been properly kept in accordance with those regulations; and
- (b) the fund-raising appeals held during the reporting year have been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

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

P. B. LOW & CO.
Public Accountants and
Chartered Accountants
Singapore

13 March 2015

YONG-EN CARE CENTRE

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
<u>Assets</u>			
Non-current assets			
Plant and equipment	7	69,072	89,595
		69,072	89,595
Current assets			
Other receivables	4	182,374	197,333
Cash and cash equivalents	5	2,094,957	1,734,744
		2,277,331	1,932,077
<u>Liabilities</u>			
Current liabilities			
Other payables	6	146,753	194,121
		146,753	194,121
Net current assets		2,130,578	1,737,956
Net assets		2,199,650	1,827,551
<u>Funds</u>			
Unrestricted fund		1,672,499	1,602,041
Restricted funds	8	527,151	225,510
Total Funds		2,199,650	1,827,551

The accompanying notes are an integral part of these financial statements.

YONG-EN CARE CENTRE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	Unrestricted fund	Restricted funds			Total
			YCC Education Fund	Corporate Donors Fund	Care & Share Grant Fund	
Income						
Total Income	9	1,487,682	2,738	263,875	61,000	1,815,295
Expenditure						
Depreciation charge	7	37,940	-	-	-	37,940
Fund-raising expenses		99,750	-	-	-	99,750
Loss on disposal of plant & equipment		-	-	-	-	855
Manpower - Administration	10	180,006	-	-	-	180,006
Maintenance	11	84,584	-	-	-	84,584
Programmes	12	961,455	-	-	-	961,455
General	13	53,489	-	-	-	53,489
Bursaries disbursement		-	12,400	-	-	12,400
Other disbursements & expenses		-	-	10,215	-	10,215
YCC Education Fund expenses		-	3,357	-	-	3,357
Total expenditure		1,417,224	15,757	10,215	-	1,443,196
Surplus/(deficit) for the financial year		70,458	(13,019)	253,660	61,000	372,099
Reconciliation of funds						
Total funds at beginning of financial year		1,602,041	225,510	-	-	1,827,551
Total funds at end financial year		1,672,499	212,491	253,660	61,000	2,199,650

The accompanying notes are an integral part of these financial statements.

YONG-EN CARE CENTRE

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Surplus for the year		372,099	61,199
Adjustments for:			
Depreciation of plant and equipment	7	37,940	68,308
Plant and equipment written-off		-	855
Interest income		<u>(5,684)</u>	<u>(20,135)</u>
Operating surplus before working capital changes		404,355	110,227
Other receivables		14,959	(88,464)
Other payables		<u>(47,368)</u>	<u>(38,217)</u>
Cash generated from/(used in) operations		371,946	(16,454)
Interest received		<u>5,684</u>	<u>20,135</u>
<i>Net cash generated from operating activities</i>		<u>377,630</u>	<u>3,681</u>
Cash flows from investing activities			
Purchase of plant and equipment	7	<u>(17,417)</u>	<u>(46,117)</u>
<i>Net cash used in investing activities</i>		<u>(17,417)</u>	<u>(46,117)</u>
Net (decrease)/increase in cash and cash equivalents		360,213	(42,436)
Cash and cash equivalents at beginning of the year		<u>1,734,744</u>	<u>1,777,180</u>
Cash and cash equivalents at end of the year	5	<u><u>2,094,957</u></u>	<u><u>1,734,744</u></u>

The accompanying notes are an integral part of these financial statements.

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

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

1. GENERAL

Yong-en Care Centre (the "Centre") is constituted under the provisions of the Societies Act, Cap 311 and also registered as a charity under the Charities Act, Cap 37. It has been accorded the status of an Institution of Public Character ("IPC") for the period from 1 July 2013 to 30 June 2016.

The Centre is domiciled in Singapore and its registered office and principal place of activities is at Blk 335A Smith Street #03-57 Singapore 051336.

The principal activities of the Centre are to provide voluntary community and welfare services and in particular to care for individuals and families regardless of race, language or religion in Chinatown and beyond.

The financial statements for the year ended 31 December 2014 were authorised and approved for issue by the Management Committee on 13 March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Centre have been prepared in accordance with the provisions of the Charities Act, Cap 37 (the "Act") and Charities Accounting Standard (CAS).

The accounting policies of the Centre are consistent with the requirements of the CAS and are applied consistently to similar transactions, other events and conditions. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (S\$), which is the functional currency of the Centre and all values are rounded to the nearest dollar except when otherwise indicated. Functional currency is the currency of the primary economic environment in which the Centre operates.

(b) Funds

The Centre maintains unrestricted and restricted funds.

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to restricted purposes if any by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund.

(c) Plant and Equipment

All items of plant and equipment are initially recorded at cost.

Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition for its intended use.

Depreciation is computed on a straight-line basis so as to write off the cost of the assets over their estimated useful lives of 5 years.

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of the asset is included in the statement of financial activities in the financial year the asset is derecognised.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

(d) Revenue recognition

Revenue for the Centre comprises the fair value of the consideration received or receivable for rendering of services and donations received.

General donations, contributions and interest from fixed deposits are taken up in the financial statements as income on receipt basis.

Grants are recognised as income to match the related expenditure.

Income from Centre's activities is accounted for on accrual basis.

Income from fundraising is recognised when the special event takes place.

(e) Operating lease (as lessee)

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

Operating lease payments are charged to the statement of financial activities on a straight-line basis over the period of the lease. Lease incentives, if any are recognised as an integral part of the total lease rentals.

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

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and fixed deposits.

(g) Employee benefits

Defined contribution plans are post-employment benefit plans under which the Centre pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Centre has no further payment obligations once the contributions have been paid. The Centre's contributions to defined contribution plans are recognised as employee compensation expense when they are due.

(h) Receivables

Receivables excluding prepayments shall be measured initially at their transaction price excluding transaction costs, if any. Transaction costs shall be recognised as expenditure immediately in the statement of financial activities as incurred. Prepayments shall be initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, receivables excluding prepayments shall be measured at cost less any accumulated impairment losses. Prepayment shall be measured at the amount paid less the economic resources received or consumed during the financial period.

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

(i) Payables

Payables excluding accruals shall be recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals shall be recognised at the best estimate of the amount payable.

(j) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using current pre tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Related party relationship and transactions

CAS defines a related party as a person or entity that is related to the reporting entity and it includes:

- (a) A person or a close member of that person's family is related 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 parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group;
 - (ii) One entity is an associate or joint venture of the other entity;
 - (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;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); and
 - (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).

The Management Committee members did not receive any compensation during the year except for one member. Employee compensation made to an ex-officio who is a member of the Management Committee is disclosed under Note 16 to the financial statements.

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

All Management Committee members and employees of the Centre are required to read and understand the conflict of interest policy in place and make full disclosure of any interests, relationships, and holdings that could potentially result in conflict of interest. When a conflict of interest situation arises, the member/employee shall abstain from participating in the discussion, decision-making and voting on the matter.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates and underlying assumptions and judgments are continually reviewed and are based on Management Committee's best knowledge of current events and actions, historical experiences and various other factors including expectations of future events that are believed to be reasonable under the circumstances.

Useful lives of plant and equipment

Management estimates the useful lives of plant and equipment to be 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets, therefore, future depreciation charges could be revised.

The carrying amount of the Centre's plant and equipment at balance sheet date is disclosed in Note 7 to the financial statements.

4. OTHER RECEIVABLES

	2014	2013
	\$	\$
Deposits	908	9,347
Prepayments	7,521	8,080
Grants receivable	172,068	178,568
Sundry receivables	1,877	1,338
	<u>182,374</u>	<u>197,333</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents which are denominated in Singapore dollars comprise:

	2014	2013
	\$	\$
Fixed deposits	1,334,920	1,329,237
Cash at banks	759,755	404,974
Cash on hand	282	533
	<u>2,094,957</u>	<u>1,734,744</u>

Fixed deposits bear interest at 0.05% to 1.6% (2013: 0.05% to 1.6%) per annum and for a tenure of 1 to 14 months (2013: 1 to 26 months) from the balance sheet date.

6. OTHER PAYABLES

	2014	2013
	\$	\$
Accruals and payables	13,929	28,894
CPF payable	25,003	32,250
Advance fees received	6,008	10,710
Provision for bonuses	101,813	122,267
	<u>146,753</u>	<u>194,121</u>

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

7. PLANT AND EQUIPMENT

<u>Cost</u>	Equipment \$	Furniture and fitting \$	Motor vehicles \$	Renovation \$	Air- conditioner \$	Total \$
At 1 January 2013	91,699	72,000	120,552	923,326	14,900	1,222,477
Additions	29,716	12,601	-	-	3,800	46,117
Disposals	(24,389)	(608)	-	-	-	(24,997)
At 31 December 2013	97,026	83,993	120,552	923,326	18,700	1,243,597
Additions	11,850	3,467	-	-	2,100	17,417
Disposals	-	-	-	-	(1,567)	(1,567)
At 31 December 2014	108,876	87,460	120,552	923,326	19,233	1,259,447
<u>Accumulated depreciation</u>						
At 1 January 2013	66,535	52,638	90,438	889,519	10,706	1,109,836
Charge for the year	12,381	6,715	14,644	33,359	1,209	68,308
Disposals	(23,970)	(172)	-	-	-	(24,142)
At 31 December 2013	54,946	59,181	105,082	922,878	11,915	1,154,002
Charge for the year	13,031	7,763	14,643	398	2,105	37,940
Disposals	-	-	-	-	(1,567)	(1,567)
At 31 December 2014	67,977	66,944	119,725	923,194	12,535	1,190,375
<u>Carrying amount</u>						
At 31 December 2014	40,899	20,516	827	132	6,698	69,072
At 31 December 2013	42,080	24,812	15,470	448	6,785	89,595

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

8. RESTRICTED FUNDS

	2014	2013
	\$	\$
YCC Education Fund	212,490	225,510
Corporate Donors Fund	253,661	-
Care and share Grant Fund	61,000	-
	<u>527,151</u>	<u>225,510</u>

The YCC Education Fund is a restricted fund and it was established in August 2006. Its main objective is to provide financial support for the education of needy students from poor families.

Restricted funds from and corporate organisations are those which have been donated to the Centre to be used specifically for Kids and Families, Single Mothers, Infant care and providing nutritious food to the poor and needy.

Care and share grant is implemented by Government to show care and concern for the needy and to recognise the contributions made by voluntary welfare organisations (VWOs). The restricted fund is specifically for developing social service related VWOs and programmes in order to serve beneficiaries.

9. INCOME

	2014	2013
	\$	\$
General Fund		
Interest income	2,946	17,411
DDCS - Donation	8,678	9,425
Donations - Individual and corporate	368,577	486,356
Fairfield Methodist Church contributions	200,000	200,000
Flag Day	31,808	-
Golf tournament	222,780	244,201
GALA dinner	104,672	-
Grant from MCYS - STEP-UP	-	(7,812)
Grant from NCSS - Dementia Day Care Service	144,769	109,701
Grant from NCSS - ICT Grant	-	8,089
Grant from AIC - Home Care	116,700	177,903
Grant from AIC - Home Care SMF	15,385	-
Other grants	33,684	15,921
Other fundraising projects	67,488	69,858
Programme fees	170,195	155,640
	<u>1,487,682</u>	<u>1,486,693</u>
Restricted Funds		
Care and share grants	61,000	-
Donations from corporate organisations	263,875	-
YCC Education Fund - Interest income	2,738	2,724
	<u>327,613</u>	<u>2,724</u>
Total income	<u>1,815,295</u>	<u>1,489,417</u>

Total tax-exempt receipts issued in respect of donations received during the year amounted to \$970,458. (2013: \$730,170)

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

10. MANPOWER- ADMINISTRATION

	2014	2013
	\$	\$
CPF and SDF contributions	14,673	19,078
Salaries, bonuses and related costs	165,333	184,295
	<u>180,006</u>	<u>203,373</u>

11. MAINTENANCE

	2014	2013
	\$	\$
Cleaning and repairs	11,559	4,761
Office insurance	11,618	9,356
Rental of equipment	6,162	7,011
Rental of premises	9,810	9,810
Repairs, maintenance and security	16,327	14,631
Utilities and conservancies	29,108	28,318
	<u>84,584</u>	<u>73,887</u>

12. PROGRAMMES

	2014	2013
	\$	\$
KTF/Counselling expenses	50,953	49,446
Home care, community relations and DDCS	99,200	73,078
Manpower - programmes (See Note 14)	806,447	813,514
Volunteer development	4,855	6,127
	<u>961,455</u>	<u>942,165</u>

13. GENERAL

	2014	2013
	\$	\$
Auditors' remuneration – current year	6,800	3,600
Auditors' remuneration – prior year	(1,700)	-
Bank charges	2,699	644
Communications	6,901	6,835
Consultancy fees	15,000	-
Miscellaneous expenses	-	3,341
Newsletters and annual reports	9,452	3,716
Postage and courier	2,234	1,884
Printing and stationery	8,770	6,997
Transport	84	596
Recruitment	2,828	1,071
Subscription fees	421	1,618
	<u>53,489</u>	<u>30,302</u>

YONG-EN CARE CENTRE

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2014

14. EMPLOYEE BENEFITS EXPENSES

	2014	2013
	\$	\$
Salaries, bonuses and allowance		
- Admin staff (See Note 10)	165,333	184,295
- Included in manpower programmes (See Note 12)	649,115	673,484
CPF and SDF contributions		
- Admin staff (See Note 10)	14,673	19,078
- Included in manpower programmes (See Note 12)	63,522	75,604
Staff benefits (See Note 12)	38,148	25,363
	<u>930,791</u>	<u>977,824</u>
Number of staff in above \$100,000 remuneration band	<u>1</u>	<u>1</u>

The number of staff employed by the Centre as at 31 December 2014 was 21 (2013: 21).

15. INCOME TAX

The Centre is an approved charitable organisation under the Charities Act, Cap 37 and an Institution of a Public Character under the Income Tax Act, Cap 134.

No provision for income tax is made in the financial statements as the Centre, being a charity, is exempted from income tax.

16. RELATED PARTY TRANSACTIONS

	2014	2013
	\$	\$
<u>Key management personnel</u>		
Salaries, allowances, bonuses and defined contribution plans	<u>112,386</u>	<u>105,647</u>

Management Committee members were not paid any remuneration during the financial year except for one member who is also a key management personnel and his remuneration is disclosed as above.

17. COMPARTIVE FIGURES

Certain comparative figures are reclassified to conform to current year's presentation.

	Previously reported	After reclassification
	2013	2013
	\$	\$
<u>Statement of Financial Activities</u>		
<i>Expenditure</i>		
Maintenance	72,778	73,887
General	31,411	30,302
	<u>104,189</u>	<u>104,189</u>