

**FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD
(INCORPORATED IN SINGAPORE)**

UEN: 199300813R

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011**

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FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD
UEN: 199300813R

GENERAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2011

Directors

Tong How Heng David
Dr Wu Dar Ching
Dr K A Abraham
Dr Reto Viktor Callegari
Lim Kim Seow
Dr Gong Ing San
Shirin R Ghadiali
Yee Yik Fah Michael
Dr Tan Yean Eng Carol
Bruce John Bird
Lee Siew Pin Eric
Chuang Chie
Rustom M Ghadiali
Kang Geak Tsooi Karen
Dr Chelliah Jazmyn
Li Guang Sheng
Mansoor Hassanbhai
Ng Kian Seng
Ng Cheng Quee
Goh Kim Seng
Tan Kok Hiang
Kam Huey Jiuan
Dr Yong Siew Yuen

Honorary Secretary

Lee Kay Beng

Registered Office

Blk 346 Clementi Ave 5
#01-10
Singapore 120346

Auditors

Parker Randall

Bankers

Development Bank of Singapore Limited
6 Shenton Way
DBS Building Tower 1
Singapore 068809

Standard Chartered Bank
6 Battery Road
Singapore 049909

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

The Directors are pleased to present their report to the members together with the audited financial statements of Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation") for the financial year ended 30 June 2011.

1. DIRECTORS

The directors of the Foundation in office at the date of this report are:

Tong How Heng David
Dr Wu Dar Ching
Dr K A Abraham
Dr Reto Viktor Callegari
Lim Kim Seow
Dr Gong Ing San
Shirin R Ghadiali
Yee Yik Fah Michael
Dr Tan Yean Eng Carol
Bruce John Bird
Lee Siew Pin Eric
Chuang Chie
Rustom M Ghadiali
Kang Geak Tsooi Karen
Dr Chelliah Jazmyn
Li Guang Sheng
Mansoor Hassanbhai
Ng Kian Seng
Ng Cheng Quee
Goh Kim Seng
Tan Kok Hiang
Kam Huey Jiuan
Dr Yong Siew Yuen

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

The Foundation is prohibited from issuing shares or debentures at anytime being a company limited by guarantee and not having a share capital. Accordingly there were no arrangements to enable the directors to acquire benefits by means of the acquisition of shares or debentures of the Foundation.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Foundation is a company limited by guarantee and has no share capital. There were no shares and debentures issued as at the end of the financial year.


DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

4. DIRECTORS' CONTRACTUAL BENEFITS

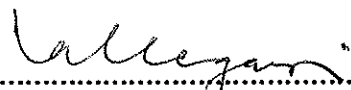
No director of the Foundation has received or become entitled to receive a benefit which is required to be disclosed by Section 201(08) of the Companies Act, Chapter 50 by reason of a contract made by the Foundation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. AUDITORS

Parker Randall have expressed their willingness to accept re-appointment as auditors.



.....
Tong How Heng David
Director



.....
Dr Reto Viktor Callegari
Director

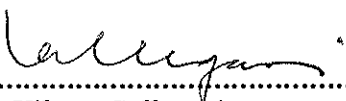
Singapore,
10 October 2011

STATEMENT BY DIRECTORS FOR THE YEAR ENDED 30 JUNE 2011

In our opinion:

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in funds and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 30 June 2011 and of the results, changes in funds and cash flows of the Foundation for the year then ended, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.


.....
Tong How Heng David
Director


.....
Dr Reto Viktor Callegari
Director

Singapore,
10 October 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Foundation of Rotary Clubs (Singapore) Ltd, (the "Foundation"), which comprise the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss account 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 auditor's 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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, 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.



Parker Randall

CERTIFIED PUBLIC ACCOUNTANTS

111 NORTH BRIDGE ROAD
#16-04 PENINSULA PLAZA
SINGAPORE 179098
TEL : 68830021 (3 LINES)
FAX : 63396517
EMAIL : prsg@parkerrandall.com.sg
WEB : www.parkerrandall.com.sg

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Foundation as at 30 June 2011 and the results, changes in funds and cash flows of the Foundation for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.


PARKER RANDALL
Public Accountants and
Certified Public Accountants

Singapore,
10 October 2011

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD
 UEN: 199300813R

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
Non-current asset			
Plant and equipment	4	14,689	32,359
Current assets			
Receivables	5	39,677	177,511
Cash and cash equivalents	6	2,273,573	2,066,833
Prepayments		39,822	2,098
Total current assets		<u>2,353,072</u>	<u>2,246,442</u>
Total assets		<u>2,367,761</u>	<u>2,278,801</u>
LIABILITIES			
Current liabilities			
Project/programme funds	7	472,753	434,341
Payables	8	93,119	153,557
Total current liabilities		<u>565,872</u>	<u>587,898</u>
Net assets		<u>1,801,889</u>	<u>1,690,903</u>
FUNDS OF THE CHARITY			
The Foundation		(170,888)	335,410
Rotary House Project		431,277	431,277
Rotary Family Service Centre		1,541,500	1,328,610
Rotary Ayer Rajah Students' Care Centre		-	(404,394)
Total funds		<u>1,801,889</u>	<u>1,690,903</u>

The accompanying notes form an integral part of the financial statements.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD
 UEN: 199300813R

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CONTINUING OPERATIONS			
INCOME			
Donations and grants	9	1,207,811	904,132
Income from activities	10	37,038	268,516
Other income	11	31,428	55,880
Total income		1,276,277	1,228,528
COST AND EXPENSES			
Depreciation	4	35,380	44,472
Finance costs		663	823
Fund raising expenses	12	-	15,024
Governance cost	13	29,592	55,580
Staff costs	14	620,054	577,301
Other operating expenses	16	405,775	167,395
Total costs and expense		1,091,464	860,595
SURPLUS FROM CONTINUING OPERATIONS		184,813	367,933
DISCONTINUED OPERATIONS			
Deficit from discontinued operations	18	(73,827)	-
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		110,986	367,933

The accompanying notes form an integral part of the financial statements.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD
 UEN: 199300813R

**STATEMENT OF CHANGES IN FUNDS
 FOR THE YEAR ENDED 30 JUNE 2011**

	The Foundation	Rotary House Project	Rotary Family Service Centre	Rotary Ayer Rajah Students' Care Centre	Total
	\$	\$	\$	\$	\$
2011					
At beginning of year	335,410	431,277	1,328,610	(404,394)	1,690,903
Total comprehensive income/(deficit) for the year	(28,077)	-	212,890	(73,827)	110,986
Transfer of deficit from Rotary Ayer Rajah Students' Care Centre	(478,221)	-	-	478,221	-
At end of year	<u>(170,888)</u>	<u>431,277</u>	<u>1,541,500</u>	<u>-</u>	<u>1,801,889</u>
2010					
At beginning of year	186,851	429,498	1,089,235	(382,614)	1,322,970
Total comprehensive income/(deficit) for the year	148,559	1,779	239,375	(21,780)	367,933
At end of year	<u>335,410</u>	<u>431,277</u>	<u>1,328,610</u>	<u>(404,394)</u>	<u>1,690,903</u>

The accompanying notes form an integral part of the financial statements.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD
 UEN: 199300813R

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before tax		110,986	367,933
Adjustments for:			
Depreciation	4	35,380	44,472
Interest income	11	(7,584)	(6,812)
Operating surplus before changes in working capital		138,782	405,593
Changes in working capital:			
Receivables		138,592	(57,970)
Prepayments		(37,724)	668
Payables		(60,438)	41,083
Cash flows from operation		179,212	389,374
Interest received		6,826	6,812
Net cash flows from operating activities		186,038	396,186
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	4	(17,710)	-
Cash flows used in investing activities		(17,710)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in project/programme funds		38,412	72,599
Cash flows from financing activities		38,412	72,599
Net changes in cash and cash equivalents		206,740	468,785
Cash and cash equivalents at beginning of year		2,066,833	1,598,048
Cash and cash equivalents at end of year	6	2,273,573	2,066,833

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Management on 10 October 2011.

1. DOMICILE AND ACTIVITIES

Foundation of Rotary Clubs (Singapore) Ltd (the “Foundation”) is a company limited by guarantee incorporated in the Republic of Singapore. The Foundation is also a registered charity under the Charities Act, Cap. 37 (UEN: 199300813R) and has its office and principal place of operations at:

346 Clementi Ave 5
#01-10
Singapore 120346

The principal activities of the Foundation are that of a voluntary welfare organisation.

There have been no significant changes in the activities of the Foundation during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Foundation have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the Significant Accounting Policies in Note 3.

(c) Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Foundation’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest dollar, unless otherwise stated.

(d) Significant accounting judgments and estimates

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

2. BASIS OF PREPARATION (CONTINUED)

(d) Significant accounting judgments and estimates (continued)

Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

Determination of functional currency

The Foundation measures foreign currency transactions in the respective functional currency of the Foundation. The functional currency of the Foundation is determined based on management's assessment of the economic environment in which the Foundation operated.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimating uncertainty as at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Foundation's plant and equipment at the statement of financial position date is disclosed in Note 4 to the financial statements.

Impairment of non-financial assets

The Foundation assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or the cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

2. BASIS OF PREPARATION (CONTINUED)

(d) Significant accounting judgments and estimates (continued)

Key sources of estimation uncertainty (continued)

Impairment of loans and receivables

The Foundation assesses at each statement of financial position date whether there is any objective evidence that a financial asset under loans and receivables is impaired. To determine whether there is objective evidence of impairment, the Foundation considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(e) Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new or revised accounting standards and interpretations which are mandatory for the period beginning on or after 1 July 2010.

The standards relevant to the Foundation is Annual Improvements 2009.

The adoption does not have a significant impact on the accounting policies and measurement bases adopted by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Foundation.

(a) Financial instruments

Non-derivative financial assets

The Foundation initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which the substantially all the risks and rewards of ownership of the financial assets that is created or retained by the Foundation is recognised as a separate asset or liability.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Non-derivative financial assets (continued)

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Foundation has the following non-derivative financial assets: loans and receivables (including cash and cash equivalents).

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument. The Foundation derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Foundation has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Foundation has the following non-derivative financial liabilities: payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net within other income in the statement of comprehensive income.

Subsequent costs

The cost of replacing a part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Foundation and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income when incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives (or leased term, if shorter) of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative period are as follows:

	<u>Useful Lives in Years</u>
Renovation	10
Office equipment	5
Computers	3

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Plant and equipment (continued)

Depreciation (continued)

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(c) Impairment

Financial assets (including receivables)

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Foundation on terms that the Foundation would not consider otherwise or an indication that a debtor will enter bankruptcy.

The Foundation considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for impairment by grouping together receivables and with similar risk characteristics.

In assessing impairment, the Foundation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment (continued)

Non-financial assets

The carrying amounts of the Foundation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit, or CGU").

The Foundation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of comprehensive income and allocated to reduce the carrying amounts of the non-financial assets.

(d) Provisions

Provision are recognised if, as a result of a past event, the Foundation has a present legal or constructive obligation that can be established reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(e) Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Foundation pays fixed contributions to Central Provident Fund (CPF) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to CPF are recognised as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Income recognition

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

Income from activities

Income from activities is recognised when cash is received

Subsidies/Grants

Subsidies/grants are recognised on an accrual basis when all the following conditions are fulfilled:

- a) There is written confirmation of impending receipt from the donor
- b) The project event is completed before the statement of financial position date
- c) The amount has been received subsequently to the statement of financial position date.

Donations (individual, corporate and rotary clubs)

Donations are recognised when cash is received

Interest income

Interest income is recognised as it accrues using the effective interest method.

Other income

Other income is recognised on an accrual basis.

(g) Government grants and subventions

Government grants and subventions are recognised initially at fair value when there is reasonable assurance that the grant/subvention will be received and all attaching conditions will be complied with. Grant or subvention relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs which it is intended to compensate. Where the grant relates to a depreciable asset, the fair value is recognised as deferred capital grant in the statement of financial position and is amortised to the statement of comprehensive income on a systematic and rational basis over the expected useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Government grants and subventions (continued)

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt.

(h) Lease Payments

Payments made under operating leases are recognised in statement of comprehensive income on a straight –line basis over the term of lease. Lease incentives received as an integral part of the total lease expense over the term of the lease.

(i) Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets, changes in the fair value of financial assets at fair value through statement of comprehensive income, and gains on heading instruments that are recognised in statements of comprehensive income. Interest income is recognised as it accrues in statements of comprehensive income using the effective method.

Finance cost comprise interest expense on borrowing, unwinding of the discount on provisions, changes in the fair value if financial assets at fair value through statement of comprehensive income, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in statement of comprehensive income.

Foreign currency gains and losses are reported on a net basis.

(j) Income tax

The Foundation is a registered charity under the Charities Act and is exempt from income tax under the provision of the Income Tax Act.

(k) New FRS standards, amendments and interpretations not yet adopted

New FRS standards, amendments to standards and interpretations that are not yet effective for the beginning of year on or after 1 July 2010 have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company upon initial application.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2011

4. PLANT AND EQUIPMENT

2011

	Renovation	Office equipment	Computer	Total
	\$	\$	\$	\$
Cost				
At beginning of year	335,519	105,896	62,380	503,795
Additions	-	2,033	15,677	17,710
Disposals	-	-	-	-
At end of year	<u>335,519</u>	<u>107,929</u>	<u>78,057</u>	<u>521,505</u>
Accumulated depreciation				
At beginning of year	311,898	104,450	55,088	471,436
Charge for the year	23,621	984	10,775	35,380
Disposals	-	-	-	-
At end of year	<u>335,519</u>	<u>105,434</u>	<u>65,863</u>	<u>506,816</u>
Net Book Value				
At end of year	<u>-</u>	<u>2,495</u>	<u>12,194</u>	<u>14,689</u>

2010

	Renovation	Office equipment	Computer	Total
	\$	\$	\$	\$
Cost				
At beginning of year	335,519	105,896	62,380	503,795
Additions	-	-	-	-
Disposals	-	-	-	-
At end of year	<u>335,519</u>	<u>105,896</u>	<u>62,380</u>	<u>503,795</u>
Accumulated depreciation				
At beginning of year	278,346	103,252	45,366	426,964
Charge for the year	33,552	1,198	9,722	44,472
Disposals	-	-	-	-
At end of year	<u>311,898</u>	<u>104,450</u>	<u>55,088</u>	<u>471,436</u>
Net Book Value				
At end of year	<u>23,621</u>	<u>1,446</u>	<u>7,292</u>	<u>32,359</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

5. RECEIVABLES

	2011	2010
	\$	\$
Rotary Club Singapore West		
- Food rations voucher	-	1,060
Ministry of Community Development, Youth and Sports	-	9,675
Funding from Singapore Totalisator Board		74,716
National Council of Social Service		
South West CDC Grant	-	47,412
Students' Care Centre outstanding		
School fees collectible		5,332
Meals from The Heart Charity Dinner		500
South West CDC		
- Meals from the Heart		2,462
Singapore Totalisator Board		
- Flag Day	-	18,000
- Meals from the Heart Charity Dinner		15,600
Deposits	2,754	2,754
YMP Pilot Project	5,500	-
Rotary Charity Golf 2011		
- Donation from Tote Board	5,000	-
- TMCC Rebates	4,090	-
- Donations	6,400	-
- Extra 15% from Tote Board	13,575	-
Interest receivable from fixed deposits	758	-
Mandatory counselling claim	1,600	-
	<u>39,677</u>	<u>177,511</u>

The carrying amounts of receivables approximate their fair values.

6. CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
Cash on hand	13,784	10,960
Cash at banks	1,088,509	493,548
Fixed deposits	1,171,280	1,562,325
	<u>2,273,573</u>	<u>2,066,833</u>

Fixed deposits have a maturity period of between one to six months (2010: 1 to 6 months) from the end of the financial year with an interest rate per annum ranging from 0.25% to 0.35% (2010 : 0.30% to 0.75%).

The carrying amounts of cash and cash equivalents approximate their fair values.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD
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NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

7. PROJECT / PROGRAMME FUNDS

	1-July 2010	Funds received	Expenses disbursed	30-June 2011
	\$	\$	\$	\$
<u>PROJECTS</u>				
ITE Student Excellence Awards	2,910	2,500	(420)	4,990
Avoidable Blindness	196,404	-	(13,500)	182,904
Singapore Matching Grant	8,090	-	(1,651)	6,439
My Wish Charity Golf (Rotary E-Club of 3310)	18,923	1,000	(6,009)	13,914
RCMC - Miss Universe	5,090	-	-	5,090
Family Aid	24,900	-	(2,160)	22,740
Rotary Charity Golf (2011)	-	78,720	-	78,720
	<u>256,317</u>	<u>82,220</u>	<u>(23,740)</u>	<u>314,797</u>
<u>PROGRAMMES</u>				
Meals from the Heart	87,431	33,176	(56,191)	64,416
Avoidable Blindness	32	-	(1,000)	(968)
Autistic Children Fund	60,562	-	(2,370)	58,192
Food Rations	491	1,350	(1,350)	491
Children in Need Fund	6,720	-	-	6,720
Emergency Relief Fund	2,908	-	(1,093)	1,815
Sunshine Hardship Fund	3,370	-	(680)	2,690
Lee Foundation - Financial Assistant	8,100	13,440	(13,790)	7,750
School Pocket Money Fund	6,610	60,565	(53,325)	13,850
Toh Kian Chui Foundation	1,800	-	(1,800)	-
Youth Mentoring Programme	-	6,000	(3,000)	3,000
	<u>178,024</u>	<u>114,531</u>	<u>(134,599)</u>	<u>157,956</u>
Total	<u>434,341</u>	<u>196,751</u>	<u>(158,339)</u>	<u>472,753</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

7. PROJECT / PROGRAMME FUNDS (CONTINUED)

	1-July 2009	Funds received	Expenses disbursed	Transfer to endowment fund	30-June 2010
	\$	\$	\$	\$	\$
PROJECTS					
ITE Student Excellence Awards	3,245	-	(335)	-	2,910
Avoidable Blindness	193,854	2,850	(300)	-	196,404
Tanglin Sec School Fund	6,096	-	-	(6,096)	-
Singapore Matching Grant	15,590	-	(7,500)	-	8,090
My Wish Charity Golf (Rotary E-Club of 3310)	34,640	-	(15,717)	-	18,923
RCMC - Miss Universe	7,090	-	(2,000)	-	5,090
Family Aid	6,550	30,900	(12,550)	-	24,900
	<u>267,065</u>	<u>33,750</u>	<u>(38,402)</u>	<u>(6,096)</u>	<u>256,317</u>
PROGRAMMES					
Meals from the Heart	16,263	145,855	(74,687)	-	87,431
Avoidable Blindness	32	-	-	-	32
Autistic Children Fund	67,958	-	(7,396)	-	60,562
Food Rations	491	4,455	(4,455)	-	491
Children in Need Fund	10,240	-	(3,520)	-	6,720
Emergency Relief Fund	3,128	-	(220)	-	2,908
Sunshine Hardship Fund	2,450	7,720	(6,800)	-	3,370
Lee Foundation - Financial Assistant	1,900	12,000	(5,800)	-	8,100
School Pocket Money Fund	(7,785)	90,680	(76,285)	-	6,610
Toh Kian Chui Foundation	-	2,000	(200)	-	1,800
	<u>94,677</u>	<u>262,710</u>	<u>(179,363)</u>	<u>-</u>	<u>178,024</u>
Total	<u>361,742</u>	<u>296,460</u>	<u>(217,765)</u>	<u>(6,096)</u>	<u>434,341</u>

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NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

8. PAYABLES

	2011	2010
	\$	\$
School Pocket Money Fund (advance received)	-	36,942
Accrued expenses	41,633	64,409
Funds received to set up Endowment Fund	51,096	51,096
Students' deposits	390	1,110
	<u>93,119</u>	<u>153,557</u>

The carrying amounts of payables approximate their fair values.

9. DONATIONS AND GRANTS

	2011	2010
	\$	\$
General donations	3,971	18,162
Grants from Ministry of Community Development, Youth and Sports	507,114	421,270
Grants from National Council of Social Service		
- Cyclical Maintenance Funding	101,878	-
Supplementary funding	1,848	-
Grants from National Council of Social Service	164,356	139,053
Grants from Singapore Totalisator Board	319,195	267,592
Subsidies from South West CDC	-	43,200
Rotary E-Club of 3310	-	400
Rotary Club of:		
- Jurong Town	-	6,000
- Raffles City	100	1,500
- Singapore North	3,500	5,000
- of Suntec City	-	1,500
- Garden City	-	455
- Queenstown	26,300	-
- Singapore	800	-
- Singapore West	14,000	-
- Singapore East	20,500	-
- Pandan Valley	15,000	-
- Changi	14,300	-
Donation - Elder Care	14,949	-
	<u>1,207,811</u>	<u>904,132</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

10. INCOME FROM ACTIVITIES

	2011	2010
	\$	\$
Counselling services	22,695	64,835
Flag day (Note 12)	-	115,624
Programme fees	14,343	88,057
	<u>37,038</u>	<u>268,516</u>

11. OTHER INCOME

	2011	2010
	\$	\$
Interest income	7,564	6,812
VCF funding	-	777
Government Grant - Jobs Credit Scheme	2,900	26,516
Singapore Telecom sponsorship	-	1,650
School Pocket Money Fund admin cost	-	1,932
Maternity leave scheme	-	4,228
Economic downturn assistance fund	-	5,000
Prior year adjustment for secretarial fee	-	7,655
Other income	5,492	1,310
Appreciation dinner for Chairman	920	-
Review HR Policy Project	14,552	-
	<u>31,428</u>	<u>55,880</u>

12. FUNDRAISING EXPENSES

	2011	2010
	\$	\$
Flag day (Note 10)	-	15,024
	<u>-</u>	<u>15,024</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

13. GOVERNANCE COST

	2011	2010
	\$	\$
Accountancy fees	5,650	6,000
Audit fees	10,000	12,500
Payroll services	4,950	6,000
Professional fees	8,992	31,080
	<u>29,592</u>	<u>55,580</u>

14. STAFF COSTS

	2011	2010
	\$	\$
Employers' CPF contributions	72,893	62,979
Salaries and bonuses	530,669	497,941
Staff insurance	8,712	3,360
Staff training	5,948	3,473
Staff welfare	1,832	1,112
Temporary services	-	8,436
	<u>620,054</u>	<u>577,301</u>

The remuneration and CPF paid to the executive director of the Foundation for the current year amounted to \$86,141 (2010: \$86,961)

15. OPERATING LEASE COMMITMENTS

The Foundation has entered into operating lease for rental of office premises. At statement of financial position date, the Foundation was committed to making the following payment in respect of the lease.

	2011	2010
	\$	\$
Payable within one year	<u>11,723</u>	<u>16,400</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

16. OTHER OPERATING EXPENSES

	2011	2010
	\$	\$
Advertisement	6,622	100
Books and periodicals	322	508
Cleaning expenses	7,740	8,453
Counselling expenses	13,279	12,986
General expenses	2,520	1,034
General insurance	3,768	4,151
Information technology support	18,006	4,103
Maintenance and housekeeping	8,140	8,546
Medical and dental	2,277	3,970
Meeting/refreshments	9,589	2,169
Minor equipment	5,612	5,005
Photocopying and leasing	5,680	6,625
Postage and courier	580	765
Printing and stationery	6,336	6,747
Programme expenses	39,865	43,780
Renovation expenses	-	160
Rental	10,400	22,464
Telecommunications	6,762	7,840
Town council	1,323	1,259
Transportation	2,263	862
Utility charges	20,390	25,297
Volunteer development	2,798	571
Cyclical maintenance	137,615	-
Appreciation dinner for chairman	949	-
Review HR policy project	18,190	-
Elderlycare expenses	74,749	-
	<u>405,775</u>	<u>167,395</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

17. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND FUND MANAGEMENT

a) Categories of financial instruments

The following tables set out the financial instruments as at the end of financial year:

	Loans and receivables	Liabilities at amortised cost	Non- financial assets	Total
	\$	\$	\$	\$
2011				
<i>Assets</i>				
Plant and equipment	-	-	14,689	14,689
Receivables	39,677	-	-	39,677
Prepayments	-	-	39,822	39,822
Cash and cash equivalents	2,273,573	-	-	2,273,573
	<u>2,313,250</u>	<u>-</u>	<u>54,511</u>	<u>2,367,761</u>
<i>Liabilities</i>				
Project/programme funds	-	472,753	-	472,753
Payables	-	93,119	-	93,119
	<u>-</u>	<u>565,872</u>	<u>-</u>	<u>565,872</u>
2010				
<i>Assets</i>				
Plant and equipment	-	-	32,359	32,359
Receivables	177,511	-	-	177,511
Prepayments	-	-	2,098	2,098
Cash and cash equivalents	2,066,833	-	-	2,066,833
	<u>2,244,344</u>	<u>-</u>	<u>34,457</u>	<u>2,278,801</u>
<i>Liabilities</i>				
Project/programme funds	-	434,341	-	434,341
Payables	-	153,557	-	153,557
	<u>-</u>	<u>587,898</u>	<u>-</u>	<u>587,898</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

**17. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND FUND MANAGEMENT
(CONTINUED)**

b) *Financial risk management objectives and policies*

The Management reviews and adopts policies for managing the financial risk of the Foundation. Each of these risks is summarised below:

Liquidity risk

In the management of liquidity risk, the Foundation monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Foundation's activities and mitigate the effects of fluctuations in cash flow. The Foundation has no significant liquidity risk.

The table below analyses the maturity profile of the financial liabilities of the Foundation at the balance sheet date on contractual undiscounted obligations:

	One year or less
<u>As at 30.06.11</u>	\$
Payables	<u>93,119</u>
<u>As at 30.06.10</u>	
Payables	<u>153,557</u>

Foreign currency risk

The Foundation's transactions are mainly denominated in Singapore dollars, therefore, it has no exposure to foreign currency risk.

Credit risk

Credit risk is managed through debt monitoring procedures.

The carrying amount of financial assets represents the Foundation's maximum exposure to credit risk.

Interest rate risk

The Foundation's exposure to interest rate risk is minimal and relates primarily to the deposits placed with reputable financial institutions on short-term tenures on a fixed rate basis.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

17. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND FUND MANAGEMENT (CONTINUED)

b) *Financial risk management objectives and policies (continued)*

Fair values

The carrying amounts of receivables, cash and cash equivalents and payables approximate their fair values due to the short-term nature of these financial instruments.

c) *Management of the Foundation's Funds*

The Foundation's objectives when managing funds are:

(a) to safeguard its ability to continue as a going concern; and

(b) to support stability and growth;

The Foundation actively and regularly reviews and manages its funds to ensure optimal structure taking into consideration the future fund requirements of the Foundation, projected operating cash flows and projected fund expenditures.

The Foundation is not subject to externally imposed fund requirements. Management monitors fund based on a gearing ratio.

The gearing ratio is calculated as net debt divided by total fund. Net debt is calculated as payables less cash and cash equivalents. Total fund is calculated as total equity plus net debt.

18. DISCONTINUED OPERATIONS

Following the approval of the Foundation's Board of Directors on 25 March 2010 to close the Rotary Ayer Rajah Students' Care Centre (the Students' Care Centre) by the end of the year 2010, the entire assets and liabilities related to Students' Care Centre are transferred to the Foundation on the statement of financial position, and the entire results from the Students' Care Centre are presented separately on the statement of comprehensive income as 'Discontinued operations'. The Students' Care Centre was closed by November 2010.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

18. DISCONTINUED OPERATIONS (CONTINUED)

a) The results of the discontinued operations are as follows:

	2011	2010
	\$	\$
INCOME		
Donations and grants	22,140	51,031
Income from activities	21,212	67,859
Other income	12,558	194
Total income	<u>55,910</u>	<u>119,084</u>
COST AND EXPENSES		
Finance costs	97	188
Governance cost	4,102	5,800
Staff costs	49,022	81,237
Other operating expenses	76,516	53,639
Total costs and expenses	<u>129,737</u>	<u>140,864</u>
DEFICIT BEFORE TAX FROM DISCONTINUED OPERATIONS	(73,827)	(21,780)
Income tax expense	-	-
TOTAL DEFICIT FOR THE FINANCIAL YEAR FROM DISCONTINUED OPERATIONS	<u>(73,827)</u>	<u>(21,780)</u>

b) The impact of the discontinued operations on the statement of cash flows of the Foundation is as follows:

	2011	2010
	\$	\$
Net cash flows from/(used) in operating activities	12,212	(34,580)
Cash flows from financing activities	-	1,805
Total cash inflows/(outflows)	<u>12,212</u>	<u>(32,775)</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2011

18. DISCONTINUED OPERATIONS (CONTINUED)

c) Details of the assets and liabilities transferred to the Foundation:

	2011	2010
	\$	\$
ASSETS		
Current assets		
Receivables	-	52,744
Prepayments	-	132
Cash and cash equivalents	14,749	2,537
	<u>14,749</u>	<u>55,413</u>
Total assets	<u>14,749</u>	<u>55,413</u>
LIABILITIES		
Current liabilities		
Payables	2,890	21,375
Contribution from the Foundation	490,080	438,432
Total current liabilities	<u>492,970</u>	<u>459,807</u>
Total liabilities	<u>492,970</u>	<u>459,807</u>
Net assets	<u><u>(478,221)</u></u>	<u><u>(404,394)</u></u>
EQUITY FUNDS		
Total funds	<u><u>(478,221)</u></u>	<u><u>(404,394)</u></u>