



PDG David Tong
Chairman

Foundation of Rotary Clubs (Singapore) Ltd

Annual Report **Financial Year ended 30 June 2013**

1. Introduction

This Annual Report (“the Report”) has been prepared in accordance with the requirements as set out in the Charities (Accounts and Annual Report) Regulations 2011 and Charities (Accounts and Annual Report) (Amendment) Regulations 2012.

2. Highlights of the Year

The following were **highlights** of the year:

2.1 Strategic Planning- Two retreats and a post-retreat survey were held and attended by members of the 21 Rotary Clubs in Singapore to review whether the Foundation of Rotary Clubs (Singapore) Ltd (“FRCS” or “the Foundation”) is still relevant in today’s changing social landscape in Singapore. Arising from the Retreats and Survey, members generally were strongly in favour of changing the roles of the Foundation to effect a complete change of direction, and its operational model. Serious concerns were raised by some members on the proposed changes. More on this on page 14 and 15 of this report.

2.2 Collaboration with Cotton On empowering the youths in Singapore.

This collaboration has commenced with the setting up of a "Youths" Fund. The objective is to provide funding to youth groups who have good ideas on various ways to contribute positively and innovatively to the communities.

- 2.3 Also going forward, the Board of FRCS will bid to operate a Nursing Home in the second or third quarter of 2014 when the bidding is called. In this connection we have met with a director of Agency for Integrated Care to inform them of our interest. We have set up a Task Force to project-manage this project. A group of Rotarians from various clubs will form the Task Force.
- 2.4 For the first time in our 20-years history, we have co-opted 3 non-Rotarians to join the RFSC's Management Committee. Their positive contributions to the management of Rotary Family Service Centre has already been felt. A full account of the year's activities of the RFSC is attached to this Report.
- 2.5 Going forward we will be starting a Care Givers Support services on a limited basis at the start but hope to grow it gradually to a national level. PP Jeffrey Po will head this program.

3. General Information

- 3.1 Foundation of Rotary Clubs (Singapore) Ltd ("FRCS" or "the Foundation") was incorporated on 2 December 1993 as a company without share capital but limited by guarantee.

The Foundation's objective is to provide assistance to the poor and needy who by reason of age, ill-health, misfortune, infirmity or otherwise are wholly or in part unable to fend for themselves or care for their dependents. Members of the Foundation give their time, contacts, expertise and monetary contributions in furtherance of this objective. Our motto is "Service Above Self".

FRCS's Unique Entity Number ("UEN") is UEN: 199300813R

The Foundation's registered address is at Blk 346 Clementi Avenue 5 #01-10, Singapore 120346.

We occupy around 7000 square feet of space (HDB) in Clementi and employ about 22 staffs. The premises in Clementi are for the exclusive use of our Rotary Family Service Centre providing counseling services and case management to clients resident in Clementi and other areas in the West Coast of Singapore.

Since January 2013 we also occupy approximately 700 sq. ft. of space at 133 New Bridge Road, Social Service Hub @ Chinatown Point #04-03. In addition we share a number of meeting rooms at the Service Hub with three other VWOs. The new premises were allocated to us by NCSS, rent free for an initial period of five years. The new facilities are used primarily to carry out various programs to service the needy, Elderly and Youths in Singapore, including those programs that were carried out at Clementi before we moved them to Chinatown Point in January 2013.

3.2 The key governing board members and officers of the Foundation are:

- | | | |
|-------------------------|---|--|
| Tong How Heng, David | - | <i>Chairman of BOD</i>
<i>Mr Tong was the managing partner of PKF Singapore, a member of PKF International, one of the top ten accounting firms in the world. Mr Tong is a certified Chartered Accountant in Singapore and Australia.</i> |
| Lee Boon Yew, James | - | <i>Treasurer</i>
<i>Mr. Lee is Finance Director of the Regent Hotel Group with operations in many cities in Asia. He is a Certified Chartered Accountant in Singapore.</i> |
| Jayapal Ramasamy | - | <i>Secretary</i>
<i>Mr. Ramasamy is a Certified Public Accountant by qualification and was a former auditor with PKF.</i> |
| Henry Tan Kok Hiang, JP | - | <i>RFSC MC Chair</i>
<i>Mr. Tan operates a business in health care products. He is active at grassroots and was awarded a PBM by President Nathan. He is also a Justice of Peace.</i> |

- | | | |
|--------------------|---|---|
| Dr. Wu Dar-Ching | - | <p><i>Internal Audit Chair</i></p> <p><i>Dr Wu is practicing as a heart surgeon at Raffles Hospital. He is Vice Chairman of the Singapore Heart Centre</i></p> |
| Chew Phak Heng | - | <p><i>Finance Committee Chair</i></p> <p><i>Mr Chew manages a property project management company in Singapore.</i></p> |
| Goh Kim Seng | - | <p><i>Strategic Planning Chair</i></p> <p><i>Mr Goh is retired after spending many years providing management consulting services to corporations.</i></p> |
| Henry Lim Kim Seow | - | <p><i>Human Resource Chair</i></p> <p><i>Mr Lim is retired after a long career in business</i></p> |
| James Gomez | - | <p><i>Prevention of Blindness Chair</i></p> <p><i>Mr Gomez is the President of the Glaucoma Society in Singapore and Chair of RI District 3310 Prevention of Blindness Committee.</i></p> |

Our Governing Board comprises of about 22 members, the full list is on pages 1 and 3 of the Audited Accounts of FRCS for the year ended 30 June 2013 (“FY 2013”) that is attached to this Annual Report.

All members of our Governing Board are representatives of their respective Rotary Clubs in Singapore that they are members of. All of them have served their Rotary Clubs as Club Presidents and are professionals or business people.

All our Governing Board members are volunteers and serve the Foundation pro bono.

Under our constitution, board members are appointed by their clubs to serve as their representatives on the Board of FRCS. They can only serve a maximum of six

years. So every year there will be board members retiring from the Board and new ones taking their places.

3.3 Rotary Family Service Centre (“RFSC”) is a division of FRCS and is separately and independently managed by a Management Committee (“MC”) comprising of the following members, mostly members of our Governing Board. On the Committee are three volunteers (professional people) who are not members of Rotary. They all serve pro bono.

Henry Tan Kok Hiang, JP - *Chairman*

Yeo Chuen Eng - *Vice Chairman*

Henry Lim Kim Seow - *Secretary*

Li Guang Sheng - *Treasurer*

Rustom R. Ghadiali - *Committee Member*

Tong How Heng, David - *Immediate Past Chairman*

The three non-Rotarian members of our MC are Mr. Low Hoon Kee, Ms Lily Lim and Ms Monica Walet. They were appointed by the Management Committee.

3.4 Our key staffs are:

Ms Clara Lee Peng Peng - *Executive Director of RFSC.*
She joined us in August 2012 after serving NCSS at a senior level for seven years plus.

Fong Hoe Beng - *Chief Operating Officer of FRCS.*
He has served Rotary International District 3310 as District Governor in 1997/1998.

3.5 Advisors to our governing Board are

- Dr. Philbert Chin, BBM - *Principal Advisor*
Dr Chin served on the Board of NCSS for six years. He formed RSVP (an IPC) and served as its President until recently when he retired from the organization. He is a board member of two other IPCs in Singapore. He has ceased to be an Advisor effective 12th December 2013.
- Brown Pereira - *Lawyer*
Mr Pereira is a practicing lawyer by profession. He is a past president of a Rotary Club in Singapore and is currently the President of the Rotary Club of Singapore East.
- Dr. Wu Dar-Ching - *Medical*
Dr. Wu is a member of Board of Governors of the Singapore Heart Foundation. He is Director of Heart Centre in Cardiothoracic Surgery of the Raffles Hospital.
- Low Wei Ling - *Investment Adviser*
Ms Low is a very senior person at Standard Chartered Bank. She heads our Investment Committee.
- Yeo Chuen Eng - *Banker*
Mr Yeo is a director on the board of Standard Chartered Private Bank in Singapore. He is a member of the Foundation's Investment Committee. In this capacity he attends our board meetings and hence acts effectively as our advisor on matters in his domain.

- 3.6 Our external auditors are Parker Randall, Certified Public Accountants. They are registered with and licensed by ACRA.
- 3.7 Our Internal Audit Committee has appointed Shared Services Pte Ltd (“SSPL”) as our internal auditors for FY 2012 and FY 2013. SSPL is a full member of NCSS and is also an IPC.
- 3.8 The following represents the Foundation on the Management Committee of the NTUC Rotary ElderCare Centre in Marsiling. This Centre provides daycare services to about 50 Elderly living in Marsiling, Singapore. The following are representatives from FRCS serving on the MC. They serve pro bono.

Tong How Heng	-	<i>Chairman of Management Committee</i>
Kenneth Chew Mei Kwang	-	<i>Member (formerly Chairman of FRCS)</i>
<i>Karen Kang</i>	--	<i>Member (RC Sentosa)</i>
<i>Lee Whai-Yih</i>	-	<i>Member (RC Bugis Junction)</i>
Fong Hoe Beng	-	Ex Officio

4. About our corporation and management.

4.1 Who we are and what we do.

FRCS is a part of Rotary International which is the world’s first service club organization, with more than 1.2 million members (volunteers) in 34,000 clubs in about 200 countries worldwide.

FRCS was incorporated in 1993 as a non-profit corporation limited by guarantee. It is a registered charity and IPC. Its members are members of the 21 Rotary Clubs in Singapore. It has the following operations:

- Rotary Family Service Centre which it owns and manages with funding provided primarily by NCSS, TOTE Board and MSF.
- A Charity and IPC helping the poor and needy and with Youths with funds and other resources provided by members, Rotary Clubs and supporters.
- A Daycare Centre in Marsiling for around 50 Elderly living there. The Centre is jointly managed by a Management Committee comprising of representatives from NTUC ElderCare and representatives from Rotary Clubs nominated by the Foundation.

4.2 Membership

Membership of the Foundation comprises of over 400 individual Rotarians who are members of Rotary Clubs in Singapore.

During the FY 2013 we updated all changes to our membership register with the Accounting & Companies Regulatory Board (“ACRA”). As a result of the updating, we removed a large number of members of Rotary Clubs that had ceased to be members from the ACRA record.

Our lawyers are helping us to bring our Memorandum & Articles of Association (“M&A”) up to date with Articles that would reflect current best practices in the social service sector. At the date of this Report, a draft copy of our M&A is ready for review by our Board and also by representatives of NCSS.

4.3 Our Governing Board

As per our M&A, every Rotary Club in Singapore is entitled to nominate one of its members to be appointed as a director onto the Governing Board of the Foundation. In addition under our M&A, the Foundation can appoint up to five Special Directors who must be a past Rotary International officer at the time of their appointment to the Board. Currently Tong How Heng, David is a Special Director appointed by the Governing Board.

Our District Governor Chew Ghim Bok, BBM, has been appointed as “Additional Director under Article 30(e) of our M&A.

Many Rotarians have expressed the view that having 22 or larger number directors in our Governing Board is too large a Board and hence hard to manage. At a BOD meeting held in early FY 2013, the Board has instructed a legal firm to amend our M&A to effect, inter-alia, the following:

- (a) have a smaller Board by reducing the number to not more than 15.
- (b) directors will be elected instead of being appointed and only after they submitted themselves to a Nominating Committee appointed by the Board of FRCS whose job is to vet their experience and qualifications so as to qualify them for election as directors to the BOD of FRCS.
- (c) the Board to elect an Executive Committee to make the day-to-day decisions.
- (d) directors to serve a maximum of three terms of two years each instead of the one term of six years that we practice currently.

This revised final draft is currently ready for review by the Board. It has also been forwarded to NCSS for their independent review.

5. Policies adopted during the financial year

5.1 Since FY 2011 we adopted the following major policies to enhance our corporate governance.

- Full compliance with Code of Governance for Charities and Institutions of Public Character issued by the Charity Council of MCYS for IPCs of our size.
- Through a restructure, our Rotary Family Service Centre is managed by a Management Committee ("MC") that operates independently of FRCS's Governing Board. The MC is made up of six Rotarians and three independent non-Rotarians/non-members from outside Rotary. The main objective of the MC is to manage our RFSC to the service standard expected by NCSS and to ensure that the grants from such government agencies are used exclusively for FSC's activities.

Refer Appendix 1 for the Mandate and Terms of Reference of the Management Committee of RFSC.

- On-going review of our standard operating procedures. We have appointed a consulting firm to document our existing internal controls & SOP to facilitate, wherever feasible, full compliance of prescribed practices.
- Ongoing independent review of the robustness of our governance. Foundation's Internal Audit Committee has engaged an independent professional firm Shared Services Pte Ltd to carry out this work. The first phase of this work is now completed and all recommendations made by them have been adopted and implemented.
- All Governing Board members of FRCS and RFSC has signed a "No Conflict of Interest" declaration based on the standard form that clearly sets out procedures to declare and handle conflict, including clearly laid out process for related party transactions.

5.2 Our Human Resource (HR) handbook has been updated with the help of consulting firm Virtual HR. This should bring us up one level in HR best practice.

All staffs are clear on NCSS's service standard and policies and compliance requirements. Our staffs receive mandatory training relevant to their grade and position and also training on the job and also from outside experts.

5.3 Our website has been revamped and regularly updated to provide timely information to our clients, our members, our partners and the regulators. We now have a separate website for RFSC.

6. Review of our activities during FY 2013

6.1 RFSC

As stated earlier in the Annual Report, RFSC has been restructured and is now managed independently by the MC but will remain as a division of the Foundation. Our BOD is very supportive of the MC and has provided and will continue to provide

full support to enable RFSC to grow in strength and to increase its range and depth of services. Attached to this Report is a separate report on the activities of RFSC prepared by the Executive Director Clara Lee and her team. Please see Schedule 1 of Appendix 1

6.2 Rotary Cotton On Youths Fund

An MOU was signed with Cotton On Foundation in which they have agreed to donate funds to FRCS to be used to “empower” youths to serve (innovatively) the communities in Singapore and, to the extent allowed by law, communities outside Singapore.

Accordingly an Advisory Board has been formed comprising:

Jimmy Ooi : Chairman (RC Singapore)

Dr. Mark Hon – Member (Rotary eClub D3310)

Rodger Kimpton – Member (RC Jurong)

Rachel Parsons – Cotton On Representative

Chris Naylor – Cotton On Representative.

FRCS's Chairman and COO attend on ex-officio basis.

6.3 Other Programs

- Since FY 2012 we added another component to our range of services to meet the needs in our community. The Rotary Club of Jurong Town raised funds (named as the “Happiness Fund”) to be used exclusively for inter-generational activities. We encourage and provide funds to activities and projects that would encourage youths to visit the Elderly at ElderCare centres etc. and spend quality time with them and for youths to organize projects that would involve them having activities together with the Elderly from time to time.
- Our “Meals from the Heart” program that we undertook with the South West Community Development Council (“SWCDC”) since August 2004 provided meals to the needy senior citizens in Clementi and the West Coast of Singapore. This is the longest standing program that both SWCDC and FRCS have undertaken to date. However SWCDC has since August 2013 withdrawn from the program. We record our thanks to

them for their support as our partners all these years, since the inception of the program. The Meals Voucher program in Boon Lay area involving collaboration with the hawkers in Clementi, Rotary Club of Bugis Junction and Loving Hearts (a registered charity) will continue.

- Our RFSC participates in the School Pocket Money Fund project of Singapore Press Holdings Ltd. We help to disburse the money to children from poor families. This is a long standing activity that we have been participating over many years.
- We also encourage and provide funds to organisations that provide eyes screening and treatment services to the Elderly. We work with Residents Committees and other grassroots organizations in poorer communities where a high number of Elderly people live.
- We have a number of other programs aimed at providing reliefs to the needy. The funds were/are raised by Rotary Clubs and FRCS holds the money in trust and disburses the money to the needy that social workers at our RFSC identify as needing help. As an example, the Rotary Club of Singapore West provides food vouchers and other monetary assistance to residents in Clementi and West Coast that need immediate help in emergency situations.
- Since July 2013 the community programs to cater to the Elderly and volunteers living in the vicinity of our Centre at Clementi has been continued by Clementi Residents' Committee Zone 1. They are working in close collaboration with FRCS. Programs organized included our Chinese New Year celebrations when we distributed food hampers to about 100 families. This was sponsored by the Rotary Club of Changi.
- The Rotary Clubs of Queenstown and Singapore West have also been very supportive and have over the years been sponsoring various projects primarily to benefit school children in Clementi. One on-going annual project is "Kids Read" which is organized by Rotary and the National Library Board and completely sponsored by the Rotary Club of Queenstown.
- Another project is "Back to School" program to motivate school children from poorer families to do well in schools. This project is sponsored by the Rotary Club of Singapore West and is carried out by our partner, the Clementi Community Club.

6.4 NTUC Rotary ElderCare Centre, Marsiling

As stated earlier FRCS and NTUC ElderCare jointly manage the Centre at Marsiling under the brand of NTUC Rotary Silver Circle. This is a Daycare Centre providing day care to 50 Elderly living in Marsiling. During FY 2012, through the efforts of the Rotary Club of Bugis Junction, an amount of around S\$ 55,000.00 was raised to buy a transport vehicle for the Centre. The vehicle is equipped with a lifting mechanism for the use of the Elderly that are wheel-chair bound. In addition, FRCS has contributed S\$300,000.00 in cash to the Centre in Marsiling in the last two and a half years.

Members from various Rotary Clubs have also assisted with regular visits to the ElderCare Centre in Marsiling, bringing cheers to the Elderly there. We helped the folks celebrate the Mid-autumn festivals and other festivities annually. A Rotarian has volunteered her time to teach the folks Art and Craft on a regular basis. Outings for the folks have also been organized.

6.5 Plans are underway to utilize the vocational skills of our Rotarians to serve the Needy in our community. We are planning to hold on a regular basis Pro Bono health checks which include ENT, Gynae, Dental as well as Eye Screening. The lawyers among us will provide legal clinics to help those who may need to seek such legal help.

6.6 We are getting more and more recognized judging by the number of NGOs and Welfare Organisations that have approached us for possible collaborations. Various Youth Groups have also approached us to do joint projects together.

6.7 Our website has undergone extensive upgrading. It is more interactive by allowing Clubs, not only to interact with each other but also to announce their activities through our web portal.

7. FRCS STRATEGIC PLAN

7.1 The Strategic Planning Committee headed by PP Goh Kim Seng conducted several meetings including two retreats which were well attended. As a result of these meetings and PP Goh's personal interviews with many Rotarians, a detailed Strategic Plan has been crafted for presentation to the Board. It is now up to the Board to study the recommendations and to decide whether to accept the Report or not and, if so, which part or parts of the Report to accept. Serious concerns have been raised by some Board members including myself as Chairman on proposed changes.

7.2 The following are the contentious parts of the Strategic Plan

- The Foundation to be restructured to function as a "back office" supporting the twenty one Rotary Clubs in Singapore. It must not function as a "super Rotary club". In particular, its role shall be to support and enhance the capabilities of all Rotary clubs in Singapore to serve the community. It should, inter alia, facilitate and involve all clubs in undertaking iconic and major projects which are beyond the capacity of individual clubs to do individually.
- The Foundation to be the unifying force for the growth of Rotary clubs in Singapore. More specifically the Foundation's role shall be to strengthen Rotary clubs in providing community service, enhance the public image of Rotary and create synergies between Rotary clubs and the community.
- The following are the Strategic Projects proposed by the Strategic Planning Committee for the Foundation to carry out either alone or in partnership with the Rotary District 3310 over a four-year period:
 - (i) *Book on Rotary in Singapore*, (ii) *Annual Symposium*, (iii) *Long-term PR Plan*, (iv) *Rotarians Behavioral Standards*, (v) *Friends of Rotary*, (vi) *Membership Rejuvenation*, (vii) *Interclub Meetings*, (viii) *Club Strategic Plan*, (ix) *Club Performance Framework*, (x) *Shared Resources*, (xi) *3P Club Leadership Team*, (xii) *Strategic Partnership*, (xiii) *Interclub Special Interest Activities*, (xiv) *New Media Learning*, (xv) *Fundraising Guidelines*.

- 7.3 The Strategic Projects listed above if carried out in full or partially by the Foundation may be regarded or perceived as using donors' funds and resources of the Foundation for the benefit of Rotary Clubs in Singapore.
- 7.4 It is suggested that Board of Directors when it next meet to discuss whether to accept the Strategic Plan, may request the Strategic Planning Committee to re-visit the proposed plan to avoid under-mining the raison d'etre of the Foundation and do things that may be inconsistent with its role as a Charity and IPC.

8. FINANCIAL State of FRCS

8.1 Financial Results

Based on the audited accounts of FRCS for the FY 2013, our net surplus for the year amounted to S\$488,501.00 compared with S\$106,425.00 deficit the year before. This is explained as follows:

- Total income increased from S\$985,061.00 in FY 2012 to S\$1,618,487.00 in FY 2013, an increase of S\$633,426.00. This is largely due to an increase in grants from MCYS, NCSS and TOTE Board from S\$817,825.00 to S\$1,424,076.00, an increase of S\$606,251.00 to meet anticipated increase in staff strength and a NCSS-driven general increase in staffs' salaries. This is to ward off poaching by hospitals and other commercial corporations.
- Staff costs increased from S\$763,870 in FY 2012 to S\$880,799.00 in FY 2013, an increase of S\$116,929.00. This is due to increase in grants to meet an across-the-board hike in staffs' salaries to stop the outflow of staffs to join hospitals and other corporations that traditionally offer higher salaries compared with VWOs. The increase in manpower cost would have been much higher had RFSC not delayed recruiting of additional staffs even though the grants had already been allocated towards this. It took RFSC many months to attain its full contingent of staffs
- However Other Operating Expenses decreased from S\$ 282,535 in FY 2012 to S\$213,703.00 in FY 2013. This is chiefly due to decrease in contribution to NTUC Rotary Eldercare Centre in Marsiling from S\$120,000.00 in FY 2012 to S\$67,730.00

in FY 2013. Reasons for this is attributable to the increase in grants received by NTUC Rotary Silver Circle in FY 2013 compared to FY 2012.

8.2 Financial position

As at 30 June 2013 based on our audited accounts for FY 2013, our net worth was S\$2,235,451.00 compared with S\$1,746,950.00 the year before, a net increase in assets of S\$488,501.00. Our cash on hand and on fixed deposits amounted to S\$ S\$2,323,055.00 compared with S\$2,152,300.00 the year before. We are quite liquid.

8.3 Reserve Policy

We had made representations to MSF that we intended to build up an amount of reserves representing two to three years of operating expenses. At 30 June 2013, our total reserves (restricted and unrestricted) stood at S\$2,235,451.00 compared with S\$1,746,950.00 at 30 June 2012. However our unrestricted reserves decreased from S\$1,107,487.00 at 30 June 2012 to S\$1,044,706.00 at 30 June 2013, a decrease of S\$62,781.00. This is due to an operating loss incurred in FY2013.00. In the coming years, we will have to make good the decrease in unrestricted reserves above mentioned and to ultimately increase our reserves to say, S\$2.5 million. This is in line with our long-declared Reserve policy that we made known to MSF over the years. The rationale is to have the resources to continue with our service to the community for at least a year or two longer in case the government decides to taper off or even ceasing their current grant policy.

8.4 Investment Committee

At a BOD Meeting in FY 2011, an Investment Committee was established with DGE Chew Ghim Bok as Chair together with three other Rotarians, namely PP Vincent Chen, PP Teo Pok Zin and Rtn. Yeo Chuen Eng. The objective is for this Committee to help us invest our funds to generate higher returns than what we are currently getting from our Fixed Deposits placed with banks. However due to the volatility in the market place and the inability to get a decent rate of return, the Investment Committee has yet to make any recommendations for FRCS to invest our funds.

Effective from 12 December 2013, Ms Low Wei Ling, a senior banker with Standard Chartered Bank, Singapore has taken over the chairmanship of our Investment Committee in place of Mr. Chew Ghim Bok who is busy serving Rotary District 3310 (Singapore, Peninsular Malaysia, East Malaysia and Brunei) as its District Governor for the FY 2013/2014.

8.5 Representations

None of our Funds are in deficit. All of them are in credit.

FRCS does not have any related entities apart from those already disclosed in this Report.

Our principal sources of funding as follows:

- For RFSC- principally funded by NCSS, MCYS and TOTE Board
- For FRCS- principally funded by Rotary Clubs, members of Rotary Clubs and their supporters, including Cotton On.
- For NTUC Rotary Silver Circle, Marsiling - S\$10,000.00 monthly contributed to the Centre by FRCS from January 2010 to December 2012. Since January 2013, the Centre did not incur any operating losses except for a small deficit of \$7,730.00 and hence there was no need for FRCS to make any additional contributions during the remaining part of FY 2013.

9. Major Financial Transactions

9.1 The major transactions of RFSC in FY 2013 as follows:

RFSC received S\$1,434,790.00.00 (FY 2012 was S\$817,826) in grants from MCYS, NCSS and TOTE Board to defray Manpower Expenses and Other Operating Expenses of RFSC for FY 2013. Their policy is to fund up to 99% of FSC's Manpower and Other Operating Expenses.

Manpower Expenses incurred by RFSC during FY2013 amounted to S\$ 781,645.00 (FY 2012 was S\$707,957) Other Operating Expenses incurred by RFSC during FY2013 amounted to S\$99,755.00 (FY 2012 was S\$115,067).

Manpower and Other Operating Expenses (including governance costs) incurred by RFSC amounted to a total amount of S\$907,790.00 (FY 2012 was S\$858,925) resulting in an surplus of total Grants income over total Operating Expenses of S\$551,282.00. As there is normally a lag of six months or more in receiving Grants, the surplus actually reflects the performance of the RFSC in the second half of FY 2012 and first half of FY2013. Another contributing factor is that as at 30 June 2013, RFSC did not have the full contingent of staffs as it took them quite a few months to recruit the full contingent of staff and that the Grants were given based on the full contingent.

9.2 The major financial transactions of FRCS in FY 2013

Total income received by FRCS during FY 2013 amounted to S\$208,590.00. The sources of income were net proceeds from Charity Golf 2013 of S\$102,982, Flag Day of S\$44,449 and miscellaneous income.

Total expenses incurred by FRCS in FY2013 amounted to S\$271,371.00. They comprised of cash contributions to NTUC Rotary ElderCare Centre in Marsiling of S\$67,730, manpower costs of S\$99,154, governance costs of S\$22,961 and the balance being miscellaneous.

Our contribution to NTUC Rotary Eldercare Centre in Marsiling is to provide subsidies to the Elderly living in one-room or two-rooms HDB flats in Marsiling who could not afford the service fees charged by the Centre. Most of them do not have to pay anything for the services because of our subsidy.

Total deficit incurred by FRCS in the FY 2013 totaled S\$62,781

Total surplus earned by FRCS and RFSC together amounted to S\$488,501 as per the audited accounts.

9.3 Accounting for Donations received

9.3.1 Total donations received by or credited to FRCS in FY 2013 as follows:

Tax exemption receipts given	102,590.00
Tax exemption receipts not required	122,348.00
	<hr/>
Total donations received booked in FY 2013	\$ 224,938.00
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The above donation income is reflected in the accounts of FRCS in FY 2013 as follows:

Donation Income in FY 2013 Statement of Income	\$208,590.00
Credited directly to the respective restricted Funds	16,348.00
	<hr/>
	\$224,938.00
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10. Why assets held?

FRCS does not own any assets except for the cash and fixed deposits with two major banks in Singapore. Due to the volatile market conditions, our Investment Committee has decided to keep on hold our earlier proposal to have a professional firm to invest the funds in securities.

Out of the S\$2,323,055.00 of cash and fixed deposits on hand at 30 June 2013, S\$ 993,244.00 are restricted. These cash balances are held by FRCS for restricted uses as follows:

- * S\$ 396,229.00- for designated uses for projects and programs such as Meals to needy families, prevention of blindness eyes screening projects etc. Such restriction of use were specified by the donors at the point of giving.

- * S\$ 597,015.00- ring-fenced for exclusive use by RFSC for its operations and programs.

The balance (S\$1,329,811.00) of cash balances are unrestricted cash that belongs to FRCS for its use in carrying out its programs and projects to help the needy, the under-privileged and the Elderly that need assistance.

11. Future Plans and Commitments

- 11.1 We will be rolling out a few new programs to help the needy in Singapore. Please refer paragraphs 2.2, 2.3 and 2.5

- 11.1.1 One of these programs is to bid for the operation of a Nursing Home in Singapore. We have met with a Director of Agency for integrated Care (AIC) and have informed him of our interest to bid for one of the sites in the second or third quarter of 2014 when biddings are called. A team comprising of members of the various Rotary Clubs have been formed to evaluate the feasibility of the project and, if found feasible, will proceed with the bid.

- 11.1.2 We intend to start offering medical and other services either pro-bono or at discounted rates. We will start with free legal services and also care-givers' support services and work from our Chinatown Point office.

- 11.2 Currently we have no plans in the nature of a capital commitment that will require a large financial outlay or financial commitment except perhaps when we win the bid to manage a Nursing Home. Even then the land and building and the equipment and items of a capital nature will be owned and paid for by the government.

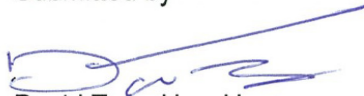
12. Resignation as Chairman and Director of PDG David Tong

About 8 months ago, I informed the Board that I will be stepping down as Chairman and Director of the Foundation. At the BOD meeting on 12th December 2013, I will retire as Chairman and Director effective 13th December 2013.

13. Acknowledgement

It has been a fulfilling experience being the Chairman of the Foundation. It leaves me to thank my colleagues in the Board of Directors, Committee Chair Persons and members of the various Committees, sub-committees, Ministry for Community Development Youth and Sports (MCYS), National Council of Social Service (NCSS), Singapore Totalisator Board, South West CDC, Rotary clubs, NTUC Eldercare, Cotton On and all our partners, volunteers, supporters and our staff for their dedication and hard work. To our Foundation members, we thank them for their invaluable support.

Submitted by



David Tong How Heng

Chairman

For and on behalf of

The Foundation of Rotary Clubs (Singapore) Ltd

28 November 2013

APPENDIX 1

**Mandate and Terms of Reference
of the Management Committee
of
the Rotary Family Service Centre (RFSC)**

1. TITLE & LEGAL STATUS

- (a) This Committee of RFSC shall be known as the Management Committee.
- (b) RFSC is a division of Foundation of Rotary Clubs (Singapore) Ltd (“FRCS”) and shall be referred to as “RFSC” or simply “the Centre”.

2. PLACE OF BUSINESS

Its place of business shall be at 346 Clementi Avenue 5 #01-10 and #01-32 Singapore 120346

3. OBJECTS

The objects of RCSC are:

- (i) To provide family oriented programmes which are responsive to the changing needs of the community.
- (ii) To collaborate with community organisations to improve social services for residents.
- (iii) To strengthen the potential of individuals, families and groups with special needs.
- (iv) To encourage, develop and sustain the participation of volunteers in providing community services.
- (v) To share, where appropriate, the experience and expertise gained from running the Centre with other relevant bodies.

4. MANAGEMENT COMMITTEE

- (i) The management of the Centre shall be vested in a Management Committee.
- (ii) The Management Committee shall consist of the following Members:
 - 5 Members nominated by the Board of Directors of FRCS.
 - Not more than 3 Members co-opted by the Management Committee
 - The immediate past Chairman of RFSC
- (iii) The Management Committee shall operate independently and autonomously from the Board of Directors of FRCS.
- (iv) The Management Committee shall appoint from among its Members the following officers:
 - Chairman
 - Vice-Chairman
 - Honorary Treasurer
 - Honorary Secretary
- (v) **TERM OF OFFICE:**
 - a. All office-bearers and Management Committee Members shall serve for a term of TWO years but shall be eligible for reappointment.
 - b. The Honorary Treasurer shall NOT be eligible for reappointment for consecutive terms.
- (vi) In the event of any office-bearer or Management Committee Member ceasing to continue in office for any reason whatsoever, the Management Committee shall appoint another Member to fill the vacancy until the next election.

- (vii) A member who is a full time paid employee of the Centre shall not be eligible to serve in the Management Committee.
- (viii) The Management Committee can appoint up to three other persons who shall serve as Advisors. Such Advisors shall not be eligible to vote at Committee Meetings.
- (ix) Any member of the Management Committee who wishes to resign from the Management Committee must send in his/her resignation in writing to either the Chairman or the Honorary Secretary of the Centre.
- (x) Any member of the Management Committee absenting himself or herself for three consecutive Management Committee Meetings shall be deemed to have withdrawn from the Committee unless a satisfactory explanation in writing is forwarded to the Management Committee.
- (xi) Any change in the Management Committee shall be notified to the Company Secretary of FRCS within two weeks of the change.
- (xii) The Chairman of FRCS shall attend meetings of the Management Committee ex-officio.

5. POWERS OF THE MANAGEMENT COMMITTEE

- (a) The Management Committee is established with full powers to carry out the objects of the Centre.
- (b) The Management Committee will operate independently of the Board of Directors of FRCS.
- (c) The Management Committee shall be empowered to:
 - (i) appoint committees or subcommittees for special purposes as it considers necessary for the proper management and administration or in furtherance of the objects of the Centre;
 - (ii) appoint/coopt members to sit on the committees or subcommittees;

- (iii) employ such staff as may be necessary to carry out the functions of the Centre.
- (iv) Make decisions on day to day matters affecting the running of the Centre.

6. DUTIES OF THE MANAGEMENT COMMITTEE

The duties of the Management Committee shall be to:

- (i) Identity, plan, monitor and evaluate all social service projects;
- (ii) Ensure that the Centre administers the funds within the approved budget;
- (iii) Oversee the smooth running of the Centre's operation;
- (iv) Work closely with the National Council of Social Service on matters related to the running of the voluntary welfare organisations.
- (v) Carry out specific duties as per attached Schedule 1

7. DUTIES OF OFFICE-BEARERS

The duties of the office-bearers shall be as follows:

- | | | |
|----------------|---|---|
| The Chairman | : | <p>presides at all meetings;</p> <p>signs the minutes of all meetings as they are approved;</p> <p>acts as a signatory for cheques issued upon the bank account(s) of the Centre.</p> |
| Vice-Chairman | : | <p>assist the Chairman in his/her duties and deputies for him/her in his/her absence.</p> |
| Hon. Secretary | : | <p>ensures that the Annual Report of the Centre is prepared;</p> |

provides any information, except financial, required by the Management Committee or by the Chairman;

performs all the duties entrusted to him/her by the Management Committee;

keep the minutes of all meetings of the Centre.

Hon. Treasurer : maintains an up-to-date record of all accounts of the Centre;

keeps all funds and disburses all monies on behalf of the Centre under the direction of the Management Committee;

ensures payment to the firm of Auditors as approved by the Management Committee;

ensures that excess funds of the Centre shall be deposited in the name of the Centre in banks or other financial institutions appointed by the Management Committee;

signs all cheques and sign them jointly with either the Chairman or the Vice-Chairman of the Centre.

Approves all financial correspondences on behalf of the Centre.

Prepares an annual statement of audited accounts for presentation to the Annual General Meeting called for by FRCS

Committee Members : shall attend meetings and assist the Management Committee in the achievement of the objects of the Centre.

Co-opted Members : shall not have voting rights

8. SIGNING OF CHEQUES

All cheques drawn upon the bank account(s) of the Centre shall be signed by the Honorary Treasurer together with either the Chairman or one of the other officers of the Management Committee.

9. FISCAL YEAR

The fiscal year of the Centre shall be from 1st July to 30th June of each calendar year and all reports and financial statements shall cover this period.

10. QUORUM

The Management Committee meetings shall be held not less than once every two months and not less than half of the Management Committee Members present shall constitute a quorum.

11. SUB-COMMITTEES

The Management Committee shall delegate to its appointed sub-committee such powers or duties as it may deem fit, provided that all acts of such sub-committees shall be ratified at the first opportunity by the Management Committee; and that all expenditure made by such sub-committees shall receive the prior authorisation of the Management Committee.

12. AUDITORS

- (i) The Auditors appointed at each Annual General Meeting of FRCS shall also audit the accounts of the Centre.
- (ii) The remuneration of the Auditors, if any, shall be fixed at the Annual General Meetings of FRCS
- (iii) The Auditors will be required to audit each year's accounts and present a report upon them.

- (iv) They may be required by the Management Committee to audit the Centre's account for any period within their tenure of office at any date and make a report to the Management Committee.

13. DISSOLUTION

- (i) The Centre shall not be dissolved, except with the consent of not less than three-fifths of the members of FRCS and by a written mandate of NCSS.
- (ii) In the event of the Centre being dissolved all debts and liabilities legally incurred on behalf of the Centre shall be fully discharged, and the remaining assets of the Centre shall be distributed to other Charitable organisations which are registered under the Charities Act, 1982 as the member shall decide.

14. ALTERATION OF RULES/AMENDMENT OF CONSTITUTION

- (i) These rules shall only be altered, amended or rescinded at an Annual or Extraordinary General Meeting of FRCS.
- (ii) Every alteration of these rules shall be referred to the Chairman of FRCS who so promptly refer this matter to the Board of Directors of FRCS for their approval and advice.

15. DISCLOSURE OF INTEREST

If a member of the Management Committee is directly or indirectly interested in any contract, proposed contract, or other matter and is present at a meeting of the Centre or of the Management Committee or any sub-committee thereof, at which the contract or other matter is the subject of consideration, the member shall, at the meeting and as soon as practicable after it commences, disclose the fact, and shall not thereafter be present during the consideration of and discussion of, and shall not vote on, any question with respect to that contract or other matter.

16. INTERPRETATION

In the event of any question or matter arising out of any point which is not expressly provided in these rules, the Management Committee shall have power to use their own discretion.

17. PROHIBITIONS

The following are prohibited:

- (i) Gambling of any kind, whether for stakes or not, is forbidden on the Centre's premises. The introduction of materials for gambling or drug-taking and of bad characters into the premises is prohibited.
- (ii) The funds of the Centre shall not be used to pay the fines of members who have been convicted in Court.
- (iii) The Centre shall not hold any lottery whether confined to its members or not in the name of the Centre or its office-bearers, Committee or members unless approval has been obtained from the competent authorities and the Registrar of Societies.
- (iv) The Centre shall not indulge in any political activity or allow its funds and/or premises to be used for political purposes.
- (v) The Centre shall not attempt to restrict or in any other manner interfere with trade or prices or engage in any Trade Union activity as defined in any written law relating to trade unions for the time being in force in Singapore.

Rotary Family Service Centre Management Committee

1. To provide strategic advisory in the provision of social services
2. To check, monitor and maintain professional standards of practice offered by professional staff of RFSC.
3. Provide consultative, networking, resource, and public relations support to the professional management team of RFSC in service delivery and compliance with submission and reporting requirements of NCSS and MCYS.
4. Ensure ethical practice and professional conduct by professional staff of RFSC.
5. To manage staff disciplinary issues related to misconduct or breach of professional ethics.
6. To review and approve the yearly budgets of various social services under the RFSC purview. Currently, these services include:
 - Family Service Centre
 - Community Support Programs
 - Any other pilot or funded programs by government, donors and corporate sponsors.