

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

AUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2012

C. N. TIEW & Co.
Certified Public Accountants

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

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BOYS' TOWN, SINGAPORE
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STATEMENT BY THE BOARD OF GOVERNORS

We, **LIONAL TSENG** and **GAUDETTE PIERRE - PAUL @ BROTHER EMMANUEL**, on behalf of the Board of Governors, do state that in our opinion:

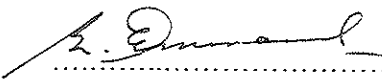
- (a) the financial statements set out on pages 4 to 21 are drawn up to present fairly, in all material respects, the state of affairs of BOYS' TOWN, SINGAPORE as at 31 December 2012 and the results, changes in funds and cash flows of BOYS' TOWN, SINGAPORE for the financial year ended on that date;
- (b) the use of the donation monies was in accordance with the objectives of BOYS' TOWN, SINGAPORE as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations;
- (c) BOYS' TOWN, SINGAPORE has complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations; and
- (d) at the date of this statement, there are reasonable grounds to believe that BOYS' TOWN, SINGAPORE will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Governors


.....
LIONAL TSENG

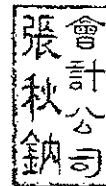
Audit Committee Chairman


.....
GAUDETTE PIERRE - PAUL @
BROTHER EMMANUEL
Advisor

DATED: 22 MAY 2013

C. N. Tiew & Co.

Certified Public Accountants



特許會計師

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

Report on the Financial Statements

We have audited the financial statements of BOYS' TOWN, SINGAPORE, which comprise the balance sheet as at 31 December 2012, and the income and expenditure statement, statement of changes in funds and statement of cash flows for the financial year ended on that date, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 21.

Board of Governors' Responsibility for the Financial Statements

The Board of Governors is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Charities Act (Chapter 37) (the "Act") and Singapore Financial Reporting Standards, and for such internal control as the Board of Governors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

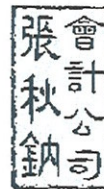
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgements, 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 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 the Board of Governors, 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.

C. N. Tiew & Co.

Certified Public Accountants



特許會計師

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE BOARD OF GOVERNORS
BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A**

Opinion

In our opinion, the financial statements present fairly, in all material respects, the state of affairs of the entity as at 31 December 2012 and the results, changes in funds and cash flows of the entity for the financial year then ended in accordance with the provisions of the Act and Singapore Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

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

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

C. N. TIEW & CO.
Public Accountants and
Certified Public Accountants
Singapore

DATED: 22 MAY 2013

BOYS TOWN, SINGAPORE
Unique Entity No. S84CC0095A

BALANCE SHEET AS AT 31 DECEMBER 2012

| | Note | 2012 S\$ | 2011 S\$ |
|-----------------------------------|------|--------------------------|--------------------------|
| ASSETS | | | |
| Non-current asset | | | |
| Property and equipment | 4 | <u>11,059,165</u> | <u>4,428,540</u> |
| Current assets | | | |
| Trade receivables | | 12,112 | 33,744 |
| Other receivables and prepayments | 5 | 350,619 | 361,698 |
| Cash and cash equivalents | 6 | <u>3,873,424</u> | <u>8,338,296</u> |
| | | <u>4,236,155</u> | <u>8,733,738</u> |
| TOTAL ASSETS | | <u><u>15,295,320</u></u> | <u><u>13,162,278</u></u> |
| FUNDS AND LIABILITIES | | | |
| Funds | | | |
| Building Fund | 7 | 10,879,045 | 8,501,406 |
| General Fund | 8 | <u>3,693,641</u> | <u>3,825,592</u> |
| | | 14,572,686 | 12,326,998 |
| Current liability | | | |
| Other payables and accruals | 9 | <u>722,634</u> | <u>835,280</u> |
| TOTAL EQUITY AND LIABILITY | | <u><u>15,295,320</u></u> | <u><u>13,162,278</u></u> |

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

BOYS TOWN, SINGAPORE
Unique Entity No. S84CC0095A

INCOME AND EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

| | Note | 2012 S\$ | 2011 S\$ |
|--|------|------------------|--------------------|
| INCOME | | | |
| Boarding fees | | 67,248 | 58,907 |
| Boys' scholarships | | 3,062 | - |
| Donations | | 1,873,716 | 178,811 |
| Government grants - job credits | | - | - |
| Grant for training | | 8,299 | 20,005 |
| Grant from Caritas Singapore Community Council | | 500,000 | 486,194 |
| Grant from Ministry of Social and Family Development | | 302,737 | 329,496 |
| Grant from National Council of Social Service | | 1,620 | 251,637 |
| Grant from National Youth Council | | 6,524 | - |
| Grant from Tote Board | | - | 1,382 |
| Grant-others | | 7,195 | - |
| Interest income | | 8,346 | 6,515 |
| Miscellaneous income | | 90,369 | 23,923 |
| Rental income | | 3,330 | 3,150 |
| | | <u>2,872,446</u> | <u>1,360,020</u> |
| EXPENDITURE | | | |
| Depreciation | | 38,306 | 72,169 |
| Education sponsorship | | 18,446 | 19,358 |
| Financial assistances | | - | 548 |
| Food and provisions | | 168,000 | 168,000 |
| Fund-raising expenses | | 167,665 | 121,249 |
| General expenses | | 33,060 | 27,667 |
| Goods and services tax | | 98,739 | 23,098 |
| Information technology expenses | | 21,862 | 16,760 |
| Insurance | | 7,339 | 9,573 |
| Professional fees | | 13,256 | 37,596 |
| Programme expenses | | 195,383 | 154,358 |
| Rental of premises | | 120,000 | 120,000 |
| Repairs and maintenance | | 61,269 | 72,548 |
| Scholarship and books | | 1,432 | 689 |
| Security services | | 116,062 | 107,652 |
| Staff CPF contributions and skills development levy | 10 | 191,924 | 181,627 |
| Staff salaries and bonuses | 10 | 1,540,086 | 1,478,810 |
| Staff training | | 53,132 | 47,821 |
| Staff welfare | | 9,852 | 5,357 |
| Supplies and materials | | 19,862 | 15,254 |
| Telephone | | 9,396 | 6,509 |
| Upkeep of motor vehicles | | 27,986 | 20,651 |
| Water and electricity | | 91,340 | 79,925 |
| | | <u>3,004,397</u> | <u>2,787,219</u> |
| Surplus/(Deficit) for the year | | <u>(131,951)</u> | <u>(1,427,199)</u> |

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

BOYS TOWN, SINGAPORE
Unique Entity No. S84CC0095A

INCOME AND EXPENDITURE STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

| | Note | 2012 | 2011 |
|-----------------------------------|------|-------------------------|-------------------------|
| | | S\$ | S\$ |
| Surplus/(Deficit) for the year | | <u>(131,951)</u> | <u>(1,427,199)</u> |
| OTHER COMPREHENSIVE INCOME | | | |
| Income - building fund | | 2,554,650 | 3,187,309 |
| Expenditure - building fund | | (177,011) | (536,312) |
| | | <u>2,377,639</u> | <u>2,650,997</u> |
| TOTAL COMPREHENSIVE INCOME | | <u><u>2,245,688</u></u> | <u><u>1,223,798</u></u> |

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

BOYS TOWN, SINGAPORE
Unique Entity No. S84CC0095A

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

| | Building Fund S\$ | General Fund S\$ | Total S\$ |
|-----------------------------|----------------------|---------------------|-------------------|
| Balance at 1 January 2012 | 8,501,406 | 3,825,592 | 12,326,998 |
| Total comprehensive income | 2,377,639 | (131,951) | 2,245,688 |
| Balance at 31 December 2012 | <u>10,879,045</u> | <u>3,693,641</u> | <u>14,572,686</u> |

| | Building Fund S\$ | General Fund S\$ | Total S\$ |
|-----------------------------|----------------------|---------------------|-------------------|
| Balance at 1 January 2011 | 5,850,409 | 5,252,791 | 11,103,200 |
| Total comprehensive income | 2,650,997 | (1,427,199) | 1,223,798 |
| Balance at 31 December 2011 | <u>8,501,406</u> | <u>3,825,592</u> | <u>12,326,998</u> |

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

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

| | Note | 2012 S\$ | 2011 S\$ |
|--|------|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Total comprehensive income | | 2,245,688 | 1,223,798 |
| Adjustments for: | | | |
| Depreciation | 4 | 116,584 | 72,169 |
| Construction in progress charged to repair and maintenance expense | 4 | 6,889 | - |
| Interest on fixed deposits | | (8,460) | (15,680) |
| Total comprehensive income before working capital changes | | 2,360,701 | 1,280,287 |
| Changes in working capital: | | | |
| Trade and other receivables | | 32,711 | (30,096) |
| Other payables | | (502,964) | 84,867 |
| Cashflow From Operating Activities | | 1,890,448 | 1,335,058 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property and equipment | 4 | (6,363,780) | (3,680,469) |
| Withdrawal/(Placement) of fixed deposits | | 131,343 | (5,005) |
| Interest income | | 8,460 | 15,680 |
| Cashflow (Used In)/From Investing Activities | | (6,223,977) | (3,669,794) |
| Net Increase/(Decrease) In Cash And Cash Equivalents | | (4,333,529) | (2,334,736) |
| Cash and cash equivalents at beginning of financial year | | 7,554,959 | 9,889,695 |
| Cash and cash equivalents at end of financial year | 6 | 3,221,430 | 7,554,959 |

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

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1. GENERAL

The financial statements were authorised for issue by the Board of Governors on 22 May 2013.

The entity is registered and domiciled in the Republic of Singapore.

The registered office, which was also the principal place of operation, was located at 624, Upper Bukit Timah Road, Singapore 678212.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the Board of Governors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The Board of Governors is of the opinion that:

- a. any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements; and
- b. there are no key sources of estimation uncertainty at the balance sheet date that have a significant effect on the amounts of assets and liabilities within the next financial year.

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The entity has not applied any new or revised FRS or Interpretations of FRS (INT FRS) that have been issued as of the balance sheet date but are not yet effective. The initial application of these standards and interpretations are not expected to have any material impact on the entity's financial statements. The entity has not considered the impact of any FRS or INT FRS issued after the balance sheet date.

2.2 Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Singapore Dollars (S\$), which is the entity's functional currency.

2.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis so as to write-off the cost of the assets over their estimated useful lives, as follows:

| | |
|--|---------------|
| Single storey multi-purpose building and main building | 50 years |
| Motor vehicles | 10 years |
| Furniture, fittings, equipment and machinery | 5 to 10 years |
| Computers and software | 3 to 5 years |

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Assets under construction are not depreciated as these assets are not yet available for use.

The residual values and useful lives of property and equipment are reviewed, and adjusted as appropriate, at each balance sheet date.

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Property and equipment (continued)

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the entity and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

On disposal of an item of property and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income and expenditure statement.

2.4 Financial assets

Financial assets within the scope of FRS 39 are classified as loans and receivables. Loans and receivables include "trade and other receivables" and "cash and cash equivalents".

Financial assets are recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transactions costs. The entity determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income and expenditure statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the income and expenditure statement.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income and expenditure statement.

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Receivables

Trade and other receivables are measured at initial recognition at fair value and subsequently at amortised cost using the effective interest rate method less an allowance for any uncollectible amounts.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that the receivables are impaired. An allowance for impairment is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

The carrying amounts of current receivables are assumed to approximate their fair values at the reporting date.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks and unpledged fixed deposits.

2.7 Financial liabilities

The entity classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss; and (b) financial liabilities at amortised cost.

Financial liabilities are classified as financial liabilities at fair value through profit or loss if they are incurred for the purpose of short-term repurchasing (held for trading) or designated by management on initial recognition (designated under the fair value option). The entity does not have any financial liabilities classified at fair value through profit or loss at the end of the financial year.

Financial liabilities are recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest rate method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised. Net gains or losses on derivatives include exchange differences.

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Related parties

Related parties are entities with common directors as that of the entity. Parties are also considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or other entities.

2.9 Payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

The carrying amounts of current payables are assumed to approximate their fair values at the reporting date.

2.10 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Income recognition

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

Boarding fees are recognised when due and received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in the income and expenditure statement in the period in which they become receivable.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Interest income is recognised on a time proportion basis using the effective interest rate.

2.12 Impairment of non-financial assets

Property and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. Higher of the cash-generating unit's fair value less cost to sell and value in use) of the asset is estimated to determine the amount of the impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is recognised in the income and expenditure statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a reduction in revaluation reserve.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income and expenditure statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Employee benefits

As required by law, the entity makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised as compensation expenses in the same period as employment that gives rise to the contributions.

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

These expenses are charged to the income and expenditure statement as and when they arise and are disclosed as part of staff costs.

2.14 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are taken to the income and expenditure statement on a straight-line basis over the period of the lease.

2.15 Foreign currencies

Transactions in foreign currencies are measured and recorded in Singapore Dollars using the exchange rate in effect at the date of the transaction. At each balance sheet date, recorded monetary balances that are denominated in a foreign currency are translated to reflect the rate at the balance sheet date. All exchange adjustments are taken to the income and expenditure statement.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.16 Taxation

The entity has been registered as a charity under the Charities Act and is exempted from income tax under Section 13U of the Income Tax Act, Chapter 134.

3. PRINCIPAL ACTIVITIES

Boys' Town, Singapore provides residential, outreach, school and community based programs to help youth-at-risk between the ages 11 to 18 become socially integrated, responsible and contributory members of society.

BOYS' TOWN, SINGAPORE
Unique Entity No. S84CC0095A

NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

4. PROPERTY AND EQUIPMENT

| | Single storey multi- purpose building S\$ | Main building S\$ | Motor vehicles S\$ | Furniture, fittings, equipment and machinery S\$ | Computers and software S\$ | Construction in progress S\$ | Total S\$ |
|--|--|-------------------------|--------------------------|---|-------------------------------------|------------------------------------|--------------|
| Cost | | | | | | | |
| At 1 January 2012 | 198,172 | - | 231,044 | 217,804 | 127,055 | 4,147,624 | 4,921,699 |
| Additions | - | 4,803,055 | - | 282,784 | 1,515 | 1,666,744 | 6,754,098 |
| Reclassification | | 4,079,774 | - | 60,962 | - | (4,140,736) | - |
| Charged to repair and maintenance expense | - | - | - | - | - | (6,889) | (6,889) |
| At 31 December 2012 | 198,172 | 8,882,829 | 231,044 | 561,550 | 128,570 | 1,666,743 | 11,668,908 |
| Accumulated depreciation | | | | | | | |
| At 1 January 2012 | 81,789 | - | 149,560 | 209,386 | 52,424 | - | 493,159 |
| Charges for the year | 3,964 | 59,219 | 7,819 | 23,942 | 21,640 | - | 116,584 |
| At 31 December 2012 | 85,753 | 59,219 | 157,379 | 233,328 | 74,064 | - | 609,743 |
| Carrying amount At 31 December 2012 | 112,419 | 8,823,610 | 73,665 | 328,222 | 54,506 | 1,666,743 | 11,059,165 |

| | Single storey multi- purpose building S\$ | Motor vehicles S\$ | Furniture, fittings, equipment and machinery S\$ | Computers and software S\$ | Construction in progress S\$ | Total S\$ |
|--|---|--------------------------|---|-------------------------------------|------------------------------------|--------------|
| Cost | | | | | | |
| At 1 January 2011 | 198,172 | 192,330 | 215,428 | 40,153 | 211,665 | 857,748 |
| Additions | - | 38,714 | 2,376 | 86,902 | 3,935,959 | 4,063,951 |
| At 31 December 2011 | 198,172 | 231,044 | 217,804 | 127,055 | 4,147,624 | 4,921,699 |
| Accumulated depreciation | | | | | | |
| At 1 January 2011 | 77,826 | 122,584 | 199,166 | 21,414 | - | 420,990 |
| Charges for the year | 3,963 | 26,976 | 10,220 | 31,010 | - | 72,169 |
| At 31 December 2011 | 81,789 | 149,560 | 209,386 | 52,424 | - | 493,159 |
| Carrying amount At 31 December 2011 | 116,383 | 81,484 | 8,418 | 74,631 | 4,147,624 | 4,428,540 |

BOYS' TOWN, SINGAPORE
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NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2012

4. PROPERTY AND EQUIPMENT (CONTINUED)

During the financial year, the entity capitalised property and equipment totalling S\$6,754,098 (2011: S\$4,063,951), of which S\$6,363,780 (2011: S\$3,680,469) was acquired by cash. The balance of S\$390,318 (2011: S\$383,482) was held in retention monies payable (Note 9).

5. OTHER RECEIVABLES AND PREPAYMENTS

| | 2012 | 2011 |
|-----------------|---------|---------|
| | S\$ | S\$ |
| Prepayments | 20,943 | 18,868 |
| Deposits | 59,700 | 1,700 |
| GST recoverable | - | 527 |
| Other debtors | 269,976 | 340,603 |
| | 350,619 | 361,698 |
| | 350,619 | 361,698 |

6. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, the cash and cash equivalents comprised of:

| | 2012 | 2011 |
|--------------------------|-----------|-----------|
| | S\$ | S\$ |
| Cash and bank balances | 1,529,526 | 4,858,607 |
| Fixed deposits | 2,343,898 | 3,479,689 |
| | 3,873,424 | 8,338,296 |
| Less: fixed deposits (*) | (651,994) | (783,337) |
| | 3,221,430 | 7,554,959 |

The effective interest rates of the fixed deposits ranged from 0.10% to 0.63% (2011: 0.10% to 0.63%) per annum at the balance sheet date with maturity periods ranging from 1 to 5 months (2011: 2 to 5 months) from the balance sheet date.

* Fixed deposits with maturity periods of more than 3 months from the balance sheet date.

7. BUILDING FUND

The purpose of the building fund is for the payment of costs relating to the construction, furnishing and maintenance of the new buildings under construction.

8. GENERAL FUND

Boys' Town, Singapore's general fund is capped at not more than 5 years of annual operating expenditure.

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9. OTHER PAYABLES AND ACCRUALS

| | 2012 | 2011 |
|--------------------------|---------|---------|
| | S\$ | S\$ |
| Accruals | 284,995 | 414,859 |
| Retention monies payable | 390,318 | 383,482 |
| Sundry payables | 47,321 | 36,939 |
| | 722,634 | 835,280 |

10. STAFF COSTS

| | 2012 | 2011 |
|---|-----------|-----------|
| | S\$ | S\$ |
| <u>General Fund</u> | | |
| Staff costs (including key management personnel's remuneration - Note 11) | 1,540,086 | 1,478,810 |
| Staff CPF contributions and skills development levy | 191,924 | 181,627 |
| Other staff costs | 62,983 | 53,178 |
| | 1,794,993 | 1,713,615 |
| <u>Building Fund</u> | | |
| Staff costs | 65,000 | 69,133 |
| Staff CPF contributions and skills development levy | 6,360 | 7,373 |
| | 71,360 | 76,506 |

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

| | 2012 | 2011 |
|---|---------|---------|
| | S\$ | S\$ |
| Food and provisions expenses charged by a related party | 24,000 | 24,000 |
| | 24,000 | 24,000 |
| Rental expenses charged by a related party | 120,000 | 120,000 |
| | 120,000 | 120,000 |

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11. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel's compensation are as follows:

| | 2012 S\$ | 2011 S\$ |
|------------------------------------|----------------|----------------|
| Salaries and bonuses | 311,827 | 303,949 |
| CPF contributions | 35,134 | 35,463 |
| Others | - | 1,998 |
| | <u>346,961</u> | <u>341,410</u> |
| Number of key management personnel | <u>3</u> | <u>3</u> |

The remuneration of key management personnel is determined by the Board of Governors having regard to the performance of the individual and market trend.

12. CAPITAL COMMITMENTS

At the balance sheet date, there were capital commitments in respect of contracts placed, as follows:

| | 2012 S\$ | 2011 S\$ |
|--|------------------|------------------|
| Contracts for construction of building | <u>3,537,013</u> | <u>9,977,894</u> |

13. TAX-EXEMPT RECEIPTS

During the financial year, the entity issued tax-exempt receipts for donations collected amounting to S\$2,882,220 (2011: S\$3,106,955).

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14. FINANCIAL INSTRUMENTS

Categories of financial instruments

The financial instruments as at the balance sheet date were:

| | 2012 | 2011 |
|--|------------------|------------------|
| | S\$ | S\$ |
| Financial assets, loans and receivables | <u>4,215,212</u> | <u>8,714,343</u> |
| Financial liabilities, at amortised cost | <u>722,634</u> | <u>835,280</u> |

Financial risk management

The main risks arising from the entity's financial instruments are liquidity risk, interest rate risk and credit risk. The entity does not use derivatives and other instruments in its management activities. The entity does not hold or issue derivative financial instruments for trading purposes. The Board of Governors agrees to the policy for managing the risks and they are summarised below:

14.1 Liquidity risk

Liquidity risk is the risk the entity is unable to meet its cash flow obligations as and when they fall due.

The entity manages liquidity risk by maintaining sufficient cash to meet normal operating commitments.

14.2 Interest rate risk

Interest rate risk is the risk to earnings and value of financial instruments caused by fluctuations in interest rates.

The entity's exposure to changes in interest rates relates primarily to its holding of fixed deposits. The entity's policy is to obtain favourable interest rates that are available.

The entity is not exposed to any significant interest rate risk. The sensitivity analysis for changes in interest rate risk is not disclosed as the effect on profit or loss is considered not significant.

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14. FINANCIAL INSTRUMENTS (CONTINUED)

14.3 Credit risk

The carrying amount of bank balances and other receivables represent the entity's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The entity has no significant concentration of credit risk and places its surplus funds with financial institutions which are regulated.