

CENTRE FOR FATHERING LIMITED

[Co. Reg. No. 200101825N]

[A company limited by guarantee and not
having share capital]

[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

CONTENTS

Directors' Report	2
Statement by Directors	3
Auditors' Report	4
Statement of Financial Activities	6
Balance Sheet	8
Cash Flow Statement	9
Notes to the Financial Statements	10

H W Soo & Co

Certified Public Accountants
Singapore

1 Goldhill Plaza, #03-35
Podium Block, Singapore 308899.
T: (65) 6846.8376
F: (65) 6234.6306

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements for the financial year ended 31 December 2008.

Directors

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

Andrew Franklyn Thomas
Choy Tuck Soon Edwin
Howard Kim Ho-Jin
Jaya Prakash
Lau Tat Chuan
Laura Tan Cheng Lin
Lim Soon Hock
Ramlee Bin Buang
Seah Kian Peng
Wong Suen Kwong

Arrangements to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

Auditors

The auditors, Messrs. H W Soo & Co, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the directors,

Wong Suen Kwong
Director

Choy Tuck Soon Edwin
Director

Singapore,

STATEMENT BY DIRECTORS

In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 19 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 December 2008, the results of its financial activities, and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorized these financial statements for issue on

On behalf of the directors,

Wong Suen Kwong
Director

Choy Tuck Soon Edwin
Director

Singapore,

H W Soo & Co

Certified Public Accountants, Singapore

1 Goldhill Plaza, #03-35
Podium Block, Singapore 308899.
T: (65) 6846.8376
F: (65) 6234.6306

Auditors' report to the members of:

CENTRE FOR FATHERING LIMITED

[Co. Reg. No. 200101825N]
[A company limited by guarantee and not having share capital]
[Incorporated in the Republic of Singapore]

We have audited the financial statements of **Centre For Fathering Limited** for the financial year ended 31 December 2008 and as set out on pages 6 to 19, which comprise the balance sheet as at 31 December 2008, the statement of financial activities and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- b) selecting and applying appropriate accounting policies; and
- c) making accounting estimates that are reasonable in the circumstances.

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 as to whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 controls 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 controls. 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

H W Soo & Co

Certified Public Accountants, Singapore

1 Goldhill Plaza, #03-35
Podium Block, Singapore 308899.
T: (65) 6846.8376
F: (65) 6234.6306

(CONT'D)

Auditors' report to the members of:

CENTRE FOR FATHERING LIMITED

[Co. Reg. No. 200101825N]
[A company limited by guarantee and not having share capital]
[Incorporated in the Republic of Singapore]

In our opinion,

- a) the financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2008, the results of its financial activities and cash flows of the Company for the financial year ended on that date; and
- b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.
- c) during the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008; has been exceeded.

H W SOO & Co

Certified Public Accountants

Singapore,

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	2008 S\$	2007 S\$
INCOMING RESOURCES		
Donations (tax exempt)	243,210	215,988
Donations (non-tax exempt)	2,700	0
Voluntary Income	245,910	215,988
Talks/Workshop/Events/Camp	106,745	114,174
Grant	7,796	150,000
Charitable Activities	114,541	264,174
Merchandising	517	391
Bank interest	3,576	2,540
Others	0	268
Other Income	4,093	3,199
TOTAL INCOME	364,544	483,361
LESS: RESOURCES EXPENDED		
Talks/Workshop/Events/Camp	92,590	67,070
Director's remuneration	51,600	62,350
Director's employer CPF contributions	7,488	8,656
Resource materials	668	63
Staff salaries and bonuses	87,950	91,195
Staff employer CPF cont/SDL/Late penalty	9,995	9,533
Staff training & seminars	7,417	185
Staff welfare	279	89
Cost of charitable activities	257,987	239,141
Accounting Fee	3,000	1,000
Audit Fee	2,100	1,500
Bank Charges	80	30
Computer expenses	1,200	1,504
Depreciation of property, plant and equipment	2,037	2,482
General expenses (Upkeep of Office)	315	1,866
Insurance	1,820	2,119
Medical expenses	304	20
Postage and courier charges	348	55
Printing & Stationery	1,045	1,140
Professional fees	675	2,925
Rental - premises	5,075	5,029
Rental - operating lease	1,699	1,388
Repair and maintenance	851	98
Subscriptions	229	369
Telecommunications/Internet	2,748	3,126
Transportation	3,739	1,854
Utilities	2,105	1,962
Temp services	7,646	8,280
Governance and other administrative costs	37,016	36,747
TOTAL RESOURCES EXPENDED	295,003	275,888
SURPLUS FOR THE YEAR	69,541	207,473
ACCUMULATED FUNDS BROUGHT FORWARD	473,062	265,589
ACCUMULATED FUNDS CARRIED FORWARD	542,603	473,062

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008
(cont'd)

No separate statement of changes in funds has been prepared as the net surplus for the financial year would have been the only component of this statement.

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

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 S\$	2007 S\$
ASSETS			
Current assets			
Cash and bank deposits	3	30,727	211,837
Fixed deposit	3	507,885	254,309
Trade and other receivables	4	<u>5,340</u>	<u>6,098</u>
		543,952	472,244
Non-current assets			
Property, plant and equipment	6	2,435	2,618
Total assets		<u>546,387</u>	<u>474,862</u>
LIABILITIES			
Current liabilities			
Trade and other payables	5	3,784	1,800
NET ASSETS		<u>542,603</u>	<u>473,062</u>
ACCUMULATED FUNDS		<u>542,603</u>	<u>473,062</u>

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	2008 S\$	2007 S\$
Cash flows from operating activities		
Surplus for the year	69,541	207,473
Adjustments for:		
- Depreciation	2,037	2,482
- Interest income	(3,576)	(2,540)
Operating cash flow before working capital changes	<u>68,002</u>	<u>207,415</u>
Changes in operating assets and liabilities		
- Trade and other receivables	758	(2,596)
- Trade and other payables	<u>1,984</u>	<u>(300)</u>
Cash generated from operations	<u>70,744</u>	<u>204,519</u>
Net cash provided by operating activities	<u>70,744</u>	<u>204,519</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,854)	(4,315)
Interest received	<u>3,576</u>	<u>2,540</u>
Net cash provided by investing activities	<u>1,722</u>	<u>(1,775)</u>
Net increase in cash and cash equivalents	72,466	202,744
Cash and cash equivalents at beginning of financial year	<u>466,146</u>	<u>263,402</u>
Cash and cash equivalents at end of financial year	<u>538,612</u>	<u>466,146</u>
Cash and cash equivalents comprise:		
Fixed deposit	507,885	254,309
Cash and bank balance	<u>30,727</u>	<u>211,837</u>
	<u>538,612</u>	<u>466,146</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

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

1. GENERAL INFORMATION

The Company is incorporated and domiciled in Singapore. The address of its registered office is located at 4 Battery Road, #15-01 Bank of China Building, Singapore 049908. The principal place of business is at Block 128A, Lorong 1 Toa Payoh #01-01, Singapore 311128.

The principal activities of the Company are the sales of merchandise and provision of services to promote public awareness on the roles of fatherhood.

The Company is a charity registered under the Charities Act. It has been granted Institute of Public Character ('IPC') status for the period from 1 July 2008 to 30 June 2010.

These financial statements are presented in Singapore Dollar, which is the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2.2 Revenue recognition

Revenue from services is recognized over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

Revenue from the sale of goods is recognized when the Company has delivered the products to the customers, the customer has accepted the products and the collectibility of the related receivables is reasonably assured.

Donations and other contributions are recognized on receipt basis.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Property, plant and equipment

2.3.1 Measurement

All property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Estimated Useful Life
Computers	3 years
Furniture & fittings	3 years
Office equipment	3 years
Renovation	3 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the income statement for the financial year in which the changes arise.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as repair and maintenance expenses in the income statement during the financial year in which it is incurred.

2.3.4 Disposal

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Impairment of non-financial assets

Plant 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. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the 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 (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognized in the income statement.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized. 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 depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset is recognized in the income statement.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

2.5.2 Recognition and derecognition

Purchases and sales of financial assets, available-for-sale, are recognized on trade-date – the date on which the Company commits to purchase or sell the assets.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On sale of a financial asset classified as available-for-sale, the difference between the net sale proceeds and its carrying amount is taken to the income statement. Any amount in the fair value reserve relating to that asset is also taken to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5.3 Measurement

Financial assets are initially recognized at fair value plus transaction costs.

Loans and receivables are subsequently carried at amortized cost using effective interest method. Financial assets, available-for-sale, are subsequently carried at fair value.

Changes in the fair value of financial assets classified as available-for-sale are recognized in the fair value reserve within equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity are included in the income statement.

2.5.4 Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

An allowance for impairment of loans and receivables including trade and other receivables, is recognized when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognized in the income statement within "Administrative expenses".

2.6 Fair value estimation

The carrying amounts of current financial assets and liabilities, carried at amortized cost, are assumed to approximate their fair values due to their short-term nature.

The fair value of financial assets traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market bid-prices at the balance sheet date. The fair values of forward currency contracts are determined using actively quoted forward currency rates at the balance sheet date.

The fair values of non-current financial liabilities carried at amortized cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Leases

Finance leases

Leases of property, plant and equipment where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are shown on the balance sheet. The interest element of the finance cost is taken to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

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 (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognized as an expense in the income statement in the financial year in which they are incurred.

2.8 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less selling expenses.

2.9 Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants, relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs they are intended to compensate.

2.10 Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

2.11 Trade and other receivables

Trade and other receivables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Income taxes

The Company is registered as a charity under the Charities Act, as such the Company is exempt from income tax under the provision of the Income Tax Act, Cap. 134 provided 80% of its income is applied for charitable purposes within Singapore.

With effect from YA 2008, the above requirement has been removed. All registered and exempt charities will enjoy automatic income tax exemption. No filing of income tax returns will be required. As such, no provision for income tax has been made in the financial statements.

2.13 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.14 Employee compensation

a) Defined contribution plans

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

b) Employee leave entitlement

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

2.15 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items, such as equity investments classified as available-for-sale that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve within equity.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.17 Related parties

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

3. Cash, bank and fixed deposits

At the balance sheet date, the carrying amounts of cash, bank and fixed deposits approximated their fair values.

Short-term bank deposits at the balance sheet date had an average maturity of three months (2007: three months) from that date and had a weighted average effective interest rate of 1.2% (2007: 1.7%) per annum.

4. Trade and other receivables

	2008 S\$	2007 S\$
Trade receivables:		
- Outside parties	4,458	3,564
Other receivables:		
- Deposits	657	627
- Prepayment	225	1,907
	<u>5,340</u>	<u>6,098</u>

At the balance sheet date, the carrying amounts of current trade and other receivables approximated their fair values.

5. Trade and other payables

	2008 S\$	2007 S\$
Accrued expenses	<u>3,784</u>	<u>1,800</u>

At the balance sheet date, the carrying amounts of current trade and other payables approximated their fair values.

6. Property, plant and equipment

	Balance b/f S\$ 2007	Additions S\$	(Disposals) S\$	Balance c/f S\$ 2008
Cost				
Renovations	8,420	0	0	8,420
Computers	15,820	1,499	0	17,319
Furniture & fittings	11,264	0	0	11,264
Office equipment	9,823	355	278	9,900
	45,327	1,854	0	46,903

	Balance b/f S\$ 2007	Depreciation charge S\$	(Written back/ off) S\$	Balance c/f S\$ 2008
Accumulated depreciation				
Renovations	8,420	0	0	8,420
Computers	13,464	1,502	0	14,966
Furniture & fittings	11,264	0	0	11,264
Office equipment	9,561	535	278	9,818
	42,709	2,037	0	44,468

	Balance b/f S\$ 2007	Balance c/f S\$ 2008
Net book value		
Renovations	0	0
Computers	2,356	2,353
Furniture & fittings	0	0
Office equipment	262	82
	2,618	2,435

7. Remuneration of key personnel

Remuneration of key personnel were as follows:

	2008 No. of personnel	2007 No. of personnel
No. of directors of the Company in remuneration bands: Below S\$100,000	1	1
No. of executives of the Company in remuneration bands: Below S\$100,000	3	2
Total	4	3

The company has 4 employees (2007: 3).

8. Reserve position and policy

The Company's reserve position (excluding non-current assets) for financial year ended 31 December 2008 is as follows:

		2008	2007	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	541	470	15.1
B	Restricted or Designated Funds			
	Building Fund (Designated)	N/A	N/A	N/A
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	541	470	15.1
E	Total Annual Operating Expenditure	295	276	6.9
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.83	1.70	7.6

Reference:

C. An endowment fund consists of assets, funds or property which are held in perpetuity which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted / designated and endowment funds.

E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration expenses.

The Company's Reserve Policy is as follows:

The centre will endeavour to maintain a reserve of three years' operating expenses, to be kept as fixed deposits and cash-on-hand.

9. Financial risk management

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the directors of the Company on an informal basis.

9.1 Currency risk

The Company is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollars.

9.2 Interest rate risk

The Company's income and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the balance sheet date.

9.3 Credit risk

The Company has no significant concentration of credit risk.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximated their fair values.

10. Authorization of financial statements

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of the Company on