

SINGAPORE COUNCIL OF WOMEN'S
ORGANISATIONS (SCWO)

THE STAR SHELTER

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2010

盧鶴齡會計公司

LO HOCK LING & CO.

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INDEPENDENT AUDITORS' REPORT
SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)
THE STAR SHELTER

We have audited the accompanying financial statements of The Star Shelter, which is an integral part of SCWO (the Association), set out on pages 3 to 11. These financial statements comprise the balance sheet as at 31 January 2010, and the statements of comprehensive income and changes in accumulated fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The management of The Star Shelter and SCWO are responsible for the preparation and fair presentation of these financial statements in accordance with 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 unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 the management of The Star Shelter and SCWO, 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.

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INDEPENDENT AUDITORS' REPORT
SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)
THE STAR SHELTER

(continued)

Opinion

In our opinion,

- (a) the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of The Star Shelter as at 31 January 2010 and the results and changes in accumulated fund of The Star Shelter for the year ended on that date; and
- (b) the accounting and other records required by the regulations enacted under the Charities Act, Cap. 37 to be kept by the Association have been properly kept in accordance with those regulations.

Singapore, 27 April 2010


LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

THE STAR SHELTER

Balance Sheet as at 31 January 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	3	7,415	586
<u>Current Assets</u>			
Other Receivables	4	29,127	30,970
Fixed deposits with financial institution	5	94,313	94,129
Cash and bank balances		<u>431,508</u>	<u>357,273</u>
Total Current Assets		<u>554,948</u>	<u>482,372</u>
Total Assets		<u>562,363</u>	<u>482,958</u>
<u>FUNDS AND LIABILITIES</u>			
Accumulated fund		<u>558,137</u>	<u>480,682</u>
<u>Current Liabilities</u>			
Accruals		<u>4,226</u>	<u>2,276</u>
Total Current Liabilities		<u>4,226</u>	<u>2,276</u>
Total Funds and Liabilities		<u>562,363</u>	<u>482,958</u>

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

On behalf of the Board,



Dr. Ann Tan
President



Ms. Mary Liew
Honorary Treasurer

Date: 27 April 2010

THE STAR SHELTER

Statement of Comprehensive Income for the year ended 31 January 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>INCOME</u>			
Donations			
- non tax-exempt		16,310	23,066
- tax exempt		106,432	156,582
Bank interest		854	2,199
Contributions towards stay at Dormitory		565	2,900
Event income		5,283	-
Forum "Maintenance order"		1,044	-
MCYS Grants		84,992	81,320
NCSS Subsidy - STB Social Service fund		38,996	62,283
Sundry income		20,999	20,356
		<u>275,475</u>	<u>348,706</u>
<u>EXPENSES</u>			
Advertisement		-	460
Audit fee		1,926	1,300
Bank charges		80	80
Cleaning services		4,300	7,599
Contract services		-	1,600
Contribution to SCWO operating fund		72,000	47,000
Depreciation on property, plant and equipment		1,505	586
Employee benefits expense	6	38,948	38,742
Event expenses		6,890	7,491
Foreign workers levy		2,880	2,696
General expenses		1,211	2,901
Groceries		8,589	1,158
Insurance		195	309
In website expense		2,116	-
Medical expenses		335	394
Office transport		982	73
Postages and stamps		16	63
Printing and stationery		579	549
Professional fees		856	2,300
Refreshment		-	9,216
Repairs and maintenance		8,097	6,547
Security guard services		30,440	27,484
Skills development levy		104	78
Staff welfare		-	600
Telecommunication expenses		508	317
Training and development		33	-
Utilities		8,822	9,669
		<u>191,412</u>	<u>169,212</u>
Surplus for the year		84,063	179,494
<u>Other Comprehensive Income</u>			
Other Comprehensive Income, Net of Tax		-	-
Total Comprehensive Income		<u>84,063</u>	<u>179,494</u>

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

THE STAR SHELTER

Statement of Changes in Accumulated Fund for the year ended 31 January 2010

	\$
Balance as at 31 January 2008	303,033
Reduction for the year	(1,845)
Total Comprehensive Income for the year	<u>179,494</u>
Balance as at 31 January 2009	480,682
Reduction for the year	(6,608)
Total Comprehensive Income for the year	<u>84,063</u>
Balance as at 31 January 2010	<u><u>558,137</u></u>

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

THE STAR SHELTER

NOTES TO THE FINANCIAL STATEMENTS - 31 January 2010

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

1. GENERAL INFORMATION

The Star Shelter is a charity registered under the Charities Act Cap. 37. It is also an Institution of Public Character. Its registered office is located at 96 Waterloo Street Singapore 187967.

The Star Shelter forms an integral part of the Singapore Council of Women's Organisations (SCWO) and caters for families in crisis, providing temporary abode for women, children, the elderly and men who have been abused.

The financial statements of The Star Shelter are attached to the financial statements of the SCWO.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The association presents its financial statements in Singapore dollars, which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Accounting Standards Council, as required by the Companies Act.

During the financial year, the association adopted all the applicable new/revised FRSs which are effective on or before 1 February 2009.

The adoption of these new/revised FRSs did not have any material effect on the association's financial statements and did not result in substantial changes to the association's accounting policies.

(b) Significant Accounting Estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the association's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) *Key sources of estimation uncertainty*

Depreciation on Property, Plant and Equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in note 2(g). Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in note 3 to the financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) Significant Accounting Estimates and judgements (continued)****(B) *Critical judgements made in applying accounting policies***

In the process of applying the association's accounting policies, management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Impairment of non-financial assets

The carrying amounts of the association's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's net selling price. Estimating the value in use requires the association to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) FRS and INT FRS not yet effective

The association has not applied any new FRS or INT FRS (Interpretations of Financial Reporting Standards) that has been issued as at the balance sheet date but is not yet effective. The board does not anticipate the adoption of the new FRS and INT FRS in future financial periods to have any material impact on the association's financial statements in the period of initial application.

(d) Other Receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Receivables with a short duration are not discounted.

When there is objective evidence that the association will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying value of the receivable and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in profit or loss.

(e) Other Payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue Recognition

Interest income is recorded in the financial statements on receipt basis.

Grants and subsidy are recognised when received.

Donations received are recognised over the period of the events or activities being sponsored.

(g) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The annual rates of depreciation are as follows:

Computers	3 years
Office equipment, furniture & fittings	10 years

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

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is recognised in profit or loss in the year the asset is derecognised.

(h) Employee Benefits

Defined Contribution Plans

The association makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expense in the same year as the employment that gives rise to the contributions.

(i) Impairment of Assets

The carrying amounts of the association's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of Assets (continued)

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

3. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer</u>	Office equipment, furniture & fittings	<u>Total</u>
	\$	\$	\$
<u>Cost</u>			
At 1 February 2008, 31 January 2009 and 1 February 2009	1,758	-	1,758
Additions	-	8,334	8,334
At 31 January 2010	1,758	8,334	10,092
<u>Accumulated depreciation</u>			
At 1 February 2008	586	-	586
Charge for the year	586	-	586
At 31 January 2009 and 1 February 2009	1,172	-	1,172
Charge for the year	586	919	1,505
At 31 January 2010	1,758	919	2,677
<u>Carrying amount</u>			
As at 31 January 2010	-	7,415	7,415
As at 31 January 2009	586	-	586

4. OTHER RECEIVABLES

Non-trade receivables are unsecured, interest-free and expected to be repayable on demand.

5. FIXED DEPOSITS WITH FINANCIAL INSTITUTION

All fixed deposits mature within one year and bear interest at 0.6875% to 0.55000% (2009: 1.125% to 1.3125%) per annum.

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6. EMPLOYEE BENEFITS EXPENSE

	<u>2010</u>	<u>2009</u>
	\$	\$
Salaries and related cost	35,090	35,443
Employer's contributions to Central Provident Fund	3,858	3,299
	38,948	38,742

7. FINANCIAL RISKS MANAGEMENT

The association is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and interest rate risk. The board reviews and agrees on policies for managing each of these risks and they are summarised below:

(i) Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the association as and when they fall due.

The association's main financial assets consist of cash and bank deposits placed with financial institutions which are regulated.

At the balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

There are no financial assets that are past due or impaired as at the balance sheet date.

(ii) Liquidity risk

Liquidity risk is the risk that the association's will encounter difficulty in meeting financial obligations due to shortage of funds.

The association monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the association's operations and to mitigate the effects of fluctuations in cash flows.

All financial liabilities of the association are repayable on demand or mature within one year.

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7. FINANCIAL RISKS MANAGEMENT (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the association's financial instruments will fluctuate because of changes in market interest rates.

The association does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The association monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the association are disclosed in the notes to the financial statements.

8. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and bank deposits, receivables and payables approximate their fair values due to their short term nature.

9. FUND MANAGEMENT

The primary objective of the association's fund management is to safeguard the association's ability to continue as a going concern and to maintain an optimal reserve in order to support its ministries.

Designated funds are only used for its specific purposes for which the funds were set up.

The association is not subject to externally imposed fund requirements.

There were no changes to the association's approach to funds management during the year.

10. AUTHORISATION OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the SCWO's Board on 27 April 2010.