

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

(Registered in Singapore under the Companies Act, Chapter 50 and Charities Act, Cap 37)
(Unique Entity No: 199300813R)

Statement by the Board and Financial Statements

Reporting Year Ended 30 June 2019

RSM Chio Lim LLP

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FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement by the Board and Financial Statements

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FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement by the Directors

The directors of the Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation") are pleased to present the audited financial statements of the Foundation for the reporting year ended 30 June 2019.

1. Opinion of the directors

In the opinion of the Directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position, financial activities and cash flow of the Foundation for the reporting year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board approved and authorised these financial statements for issue.

2. Directors

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

Chin Soon Siang	(Chairman) (Appointed on 4 December 2018)
Chew Ghim Bok	(Vice Chairman)
Rajamohan Munisamy	(Vice Chairman)
See Mee Lee	(Honorary Treasurer) (Appointed on 4 December 2018)
Wong Kwai Wah	(Honorary Secretary)
Brown Anthony Pereira	
Chew Tee Khiang	(Co-opted on 18 July 2019)
Gong Ing San	
Iskandar Ooi Bin Abdullah @ Jimmy Ooi	(Co-opted on 20 February 2019)
Khushroo Dastur	(Appointed on 4 December 2018)
Ng Hung Koon	(Co-opted on 28 August 2018)
Ramasamy Jayapal	(Co-opted on 28 August 2018)
Troy Hembow Engle	(Appointed on 5 April 2019)
Yeo Chuen Eng	

3. Directors' interest in shares and debentures, and arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

The Foundation is a company limited by guarantee and has no share and debentures.

4. Options

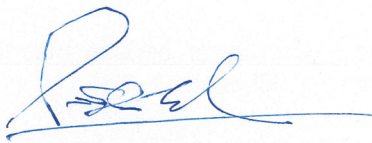
The Foundation is a company limited by guarantee. As such, there are no share options or unissued shares under option.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

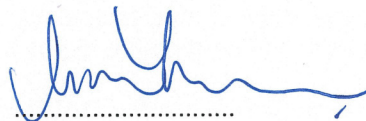
5. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the directors



.....
Chin Soon Siang
Chairman



.....
See Mee Lee
Honorary Treasurer

5 November 2019

RSM Chio Lim LLP

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**Independent Auditor's Report to the Members of
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation"), which comprise the statement of financial position as at 30 June 2019, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statement, including the significant accounting policies.

In our opinion, the accompanying financial statements of the Foundation are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Singapore Financial Reporting Standards (SFRS) so as to give a true and fair view of the financial position of the Foundation as at 30 June 2019 and of the financial activities and cash flows of the Foundation for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by the directors and the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

**Independent Auditor's Report to the Members of
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**

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Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are directors and they are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditor's Report to the Members of
FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD**

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Auditor's responsibilities for the audit of the financial statements (cont'd)

- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


Report on other legal and regulatory requirements

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

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

- (a) the Foundation has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.


RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

5 November 2019

Engagement partner – effective from reporting year ended 30 June 2017

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement of Financial Activities For the Reporting Year Ended 30 June 2019

		Unrestricted		Restricted					
	Notes	Accumulated Fund \$	Rotary Learning Institute Fund \$	Rotary House Project Fund \$	Rotary Family Service Centre Fund \$	MSF – Cyclical Maintenance Fund \$	Programme funds (Note 15) \$	Sub Total \$	Total \$
Incoming Resources:									
Government grants - MSF	5	–	–	–	1,450,771	226,360	–	1,677,131	1,677,131
Other grants	6	2,857	42,210	–	508,892	–	38,672	547,564	592,631
Donations	4	62,337	–	–	350	–	199,871	200,221	262,558
Income from programmes		2,521	18,724	–	7,524	–	–	7,524	28,769
Other miscellaneous income	7	62,472	–	–	2,440	–	–	2,440	64,912
Total incoming resources		130,187	60,934	–	1,969,977	226,360	238,543	2,434,880	2,626,001
Resources Expended:									
Programme expenses		7,944	18,094	–	15,399	–	181,569	196,968	223,006
Depreciation	10	927	1,695	91,583	25,230	4,855	–	121,668	124,290
Operating lease expenses		23,917	21,274	–	15,864	–	–	15,864	61,055
Maintenance expenses		1,282	–	44,717	59,981	–	–	104,698	105,980
Employee benefits expenses	8	74,503	45,769	–	1,863,362	–	–	1,863,362	1,983,634
Professional fee		17,598	5,950	–	16,970	32,164	–	49,134	72,682
Other operating costs		28,575	57,153	14,875	96,029	–	–	110,904	196,632
Other losses	9	–	–	–	2,380	–	–	2,380	2,380
Total resources expended		154,746	149,935	151,175	2,095,215	37,019	181,569	2,464,978	2,769,659
Net surplus / (deficit)		(24,559)	(89,001)	(151,175)	(125,238)	189,341	56,974	(30,098)	(143,658)
Balance at 1 July 2018		470,993	86,423	4,470,462	2,478,391	–	594,956	7,543,809	8,101,225
Fund transfer		(31,841)	–	–	19,341	–	12,500	31,841	–
Balance as at 30 June 2019		414,593	(2,578)	4,319,287	2,372,494	189,341	664,430	7,545,552	7,957,567

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement of Financial Activities For the Reporting Year Ended 30 June 2018

	Notes	Unrestricted		Restricted				Total
		Accumulated Fund	Rotary Learning Institute Fund	Rotary House Project Fund	Rotary Family Service Centre Fund	Programme funds (Note 15)	Sub Total	
		\$	\$	\$	\$	\$	\$	\$
Incoming Resources:								
Government grants - MSF	5	–	–	–	1,504,251	–	1,504,251	1,504,251
Other grants	6	4,074	–	–	542,555	28,927	571,482	575,556
Donations	4	169,427	–	–	4,990	114,213	119,203	288,630
Income from programmes		20,594	–	–	6,277	–	6,277	26,871
Other miscellaneous income	7	148,693	–	–	1,678	–	1,678	150,371
Total incoming resources		342,788	–	–	2,059,751	143,140	2,202,891	2,545,679
Resources Expended:								
Programme expenses		74,713	–	–	9,792	128,027	137,819	212,532
Depreciation	10	14,850	283	91,583	17,901	–	109,484	124,617
Operating lease expenses		24,176	1,706	–	15,864	–	15,864	41,746
Maintenance expenses		47,159	–	–	49,237	–	49,237	96,396
Employee benefits expenses	8	63,651	2,911	–	1,631,462	–	1,631,462	1,764,564
Professional fee		20,652	–	–	40,345	–	40,345	60,997
Other operating costs		69,570	8,677	–	49,636	–	38,994	127,883
Other losses	9	17,171	–	–	–	–	–	17,171
Total resources expended		398,482	13,577	91,583	1,814,237	128,027	2,033,847	2,445,906
Net surplus / (deficit)		(55,694)	(13,577)	(91,583)	245,514	15,113	169,044	99,773
Balance at 1 July 2017		656,855	–	4,562,045	2,212,818	569,734	7,344,597	8,001,452
Fund transfer		(130,168)	100,000	–	20,059	10,109	30,168	–
Balance as at 30 June 2018		470,993	86,423	4,470,462	2,478,391	594,956	7,543,809	8,101,225

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement of Financial Position As at 30 June 2019

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	10	5,127,784	4,394,809
Total non-current assets		<u>5,127,784</u>	<u>4,394,809</u>
<u>Current assets</u>			
Trade and other receivables	11	445,240	153,024
Inventories		–	600
Other non-financial assets	12	40,096	20,426
Cash and cash equivalents	13	2,842,778	3,824,855
Total current assets		<u>3,328,114</u>	<u>3,998,905</u>
Total assets		<u>8,455,898</u>	<u>8,393,714</u>
FUNDS AND LIABILITIES			
<u>Unrestricted funds</u>			
Accumulated fund	14	414,593	470,993
Rotary Learning Institute Fund	15	(2,578)	86,423
Total unrestricted funds		<u>412,015</u>	<u>557,416</u>
<u>Restricted funds</u>			
Rotary House Project Fund	15	4,319,287	4,470,462
Rotary Family Service Centre Fund	15	2,372,494	2,478,391
MSF – Cyclical Maintenance Fund	15	189,341	–
Programme / project funds	15	664,430	594,956
Total restricted funds		<u>7,545,552</u>	<u>7,543,809</u>
Total funds	16	<u>7,957,567</u>	<u>8,101,225</u>
<u>Non-current liabilities</u>			
Other financial liabilities	18	50,000	–
Total non-current liabilities		<u>50,000</u>	<u>–</u>
<u>Current liabilities</u>			
Other payables	17	448,331	292,489
Total current liabilities		<u>448,331</u>	<u>292,489</u>
Total liabilities		<u>498,331</u>	<u>292,489</u>
Total funds and liabilities		<u>8,455,898</u>	<u>8,393,714</u>

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Statement of Cash Flows For the Reporting Year Ended 30 June 2019

	<u>2019</u> \$	<u>2018</u> \$
<u>Cash flows from operating activities</u>		
(Deficit) / Surplus from operations	(143,658)	99,773
Adjustments for:		
Depreciation of plant and equipment	124,290	124,617
Loss on disposal of plant and equipment	2,380	17,171
Interest income	(13,204)	(16,626)
Operating cash flow before changes in working capital	(30,192)	224,935
Inventories	600	13,840
Trade and other receivables	(292,216)	420,530
Other non-financial assets	(19,670)	10,427
Other payables	77,076	51,212
Cash restricted in use	802,357	(413,489)
Net cash flows from operating activities	<u>537,955</u>	<u>307,455</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(780,879)	(13,396)
Interest received	13,204	16,626
Net cash flows (used in) / from investing activities	<u>(767,675)</u>	<u>3,230</u>
<u>Cash flows from financing activities</u>		
Increase in borrowings	50,000	–
Net cash flows from financing activities	<u>50,000</u>	<u>–</u>
Net (decrease) / increase in cash and cash equivalents	(179,720)	310,685
Cash and cash equivalents, cash flow statement, beginning balance	491,861	181,176
Cash and cash equivalents, cash flow statement, ending balance (Note 13A)	<u><u>312,141</u></u>	<u><u>491,861</u></u>

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

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

Notes to the Financial Statements 30 June 2019

1. General

The Foundation of Rotary Clubs (Singapore) Ltd (the "Foundation") is a company limited by guarantee incorporated in Singapore under the Companies Act, Chapter 50. The Foundation is also a registered charity under the Charities Act, Cap 37 and is an approved Institution of Public Character under the Singapore Income Tax Act, Cap 134. The financial statements are presented in Singapore dollar.

The principal activities of the Foundation are that of a voluntary welfare organisation. The principal activities are carried out by the following units:

- (a) Foundation of Rotary Clubs (Singapore) Ltd ("FRCS")
Provides services that alleviate poverty and suffering, promotes physical and mental well-being and which create environments for personal and societal improvement.
- (b) Rotary Family Service Centre ("RFSC")
Provides family oriented programmes which are responsive to the changing needs of the community.

The financial statements combine the state of affairs and the results of FRCS and RFSC.

Each member of the Foundation has undertaken to contribute such amounts not exceeding \$50 to the assets of the Foundation in the event the Foundation is wound up and the monies are required for payment of the liabilities of the Foundation. The memorandum and articles of the Foundation restricts the use of fund monies to the furtherance of the objects of the Foundation. They prohibit the payment of dividends to members.

The company has 23 (2018: 22) members represented by Rotary Clubs in Singapore at the end of the reporting year.

These financial statements are authorised for issuance by the directors on the date of the statement by the directors.

The registered office address is: 133 New Bridge Road #04-03, Chinatown Point, Singapore 059413. The Foundation is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRS") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

1. General (cont'd)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect 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 revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Foundation's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Incoming resources

(a) Income from programmes

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Foundation and it is shown net of related tax and subsidies.

Income from programmes that are of short duration is recognised at a point in time when the services are completed.

(b) Grants

Grants to cover a particular expenditure or programme are accounted for as incoming resources upon receipt of notification of the grant award, which normally coincides with the year when the related expenses, for which the grant is intended to cover, are incurred. A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate.

Under the conditions of grant received, over or under funding from National Council of Social Services ("NCSS"), Tote Board, Ministry of Social and Family Development ("MSF") and Ministry of Education ("MOE") are refundable to these entities.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Incoming resources (cont'd)

(c) Donations

Income from donations are accounted for when received, except for committed donations and corporate sponsorship that are recorded when the commitments are signed.

(d) Income from fund-raising projects

Income from special fund-raising events is recognised when the event takes place.

(e) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

(f) Rental income

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Donations in kind

Donations in kind are included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

As a charity, the Foundation is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have been imposed on the Foundation during the reporting year.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold properties	-	2%
Renovations	-	10%
Plant and equipment	-	20% to 33%
Construction in progress	-	Not depreciated

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in statement of financial activities. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of financial activities when they are incurred.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in statement of financial activities as an integral part of the total lease expense.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Inventory

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through statement of financial activities to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in statement of financial activities. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements

2B. Other explanatory information

Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which the Management Committee retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expense if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information (cont'd)

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in statement of financial activities in the reporting year they occur.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the committee members and key management of FRCS and the RFSC. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

All members of the Board, chairman of sub-committees and staff members of the Foundation are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holding that could potentially result in conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

3A. Related parties transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

The 23 (2018: 22) Rotary Clubs in Singapore are members of the Foundation. No individual Rotary Club has significant influence on the Foundation.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

3. Related party relationships and transactions (cont'd)

3B. Key management compensation:

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and other short-term employee benefits	<u>204,982</u>	<u>235,312</u>

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly. The above amount for key management compensation is for the executive director for the Foundation (seconded from NCSS) and RFSC.

The directors of the Foundation are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no paid staff who are close members of the family of the FRCS and the RFSC, and whose remuneration each exceeds \$50,000 during the reporting year.

4. Tax deductible receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Foundation. The Institutions of Public Character ("IPC") status for general donations made to the general funds of the Foundation was for the period from 1 February 2017 to 31 July 2019. This IPC status has been renewed for 3 years with effect from 1 August 2019 to 31 July 2022.

	<u>2019</u>	<u>2018</u>
	\$	\$
Tax-exempt receipts issued for donations collected	<u>207,971</u>	<u>178,212</u>

5. Government grants – MSF

The grant is from the Ministry of Social and Family Development.

6. Other grants

	<u>2019</u>	<u>2018</u>
	\$	\$
Grants – NCSS: Community Chest	77,331	81,855
Grants – NCSS: Tote Board Social Service Fund	386,664	401,343
Other government grants	47,504	55,376
Other miscellaneous grants	<u>81,132</u>	<u>36,982</u>
	<u>592,631</u>	<u>575,556</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

7. Other miscellaneous income

	<u>2019</u>	<u>2018</u>
	\$	\$
Interest income	13,204	16,626
Rental income	48,520	133,665
Other income	3,188	80
	<u>64,912</u>	<u>150,371</u>

8. Employee benefits expense

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and other short-term employee benefits	1,573,930	1,374,253
Contributions to defined contribution plan	250,899	217,441
Other benefits	133,519	106,330
Secondment fee	25,286	66,540
Total employee benefits expense	<u>1,983,634</u>	<u>1,754,564</u>

9. Other losses

	<u>2019</u>	<u>2018</u>
	\$	\$
Loss on disposal of plant and equipment	<u>2,380</u>	<u>17,171</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

10. Property, plant and equipment

	<u>Leasehold properties</u> \$	<u>Renovations</u> \$	<u>Plant and equipment</u> \$	<u>Construction in progress</u> \$	<u>Total</u> \$
<u>Cost:</u>					
At 1 July 2017	4,579,142	6,047	179,734	–	4,764,923
Additions	–	–	13,396	–	13,396
Disposals	–	–	(93,424)	–	(93,424)
At 30 June 2018	4,579,142	6,047	99,706	–	4,684,895
Additions	–	601,396	66,041	192,208	859,645
Disposals	–	(6,047)	–	–	(6,047)
At 30 June 2019	<u>4,579,142</u>	<u>601,396</u>	<u>165,747</u>	<u>192,208</u>	<u>5,538,493</u>
<u>Accumulated depreciation:</u>					
At 1 July 2017	122,111	2,458	117,153	–	241,722
Depreciation for the year	91,583	605	32,429	–	124,617
Disposals	–	–	(76,253)	–	(76,253)
At 30 June 2018	213,694	3,063	73,329	–	290,086
Depreciation for the year	91,583	17,332	15,375	–	124,290
Disposals	–	(3,667)	–	–	(3,667)
At 30 June 2019	<u>305,277</u>	<u>16,728</u>	<u>88,704</u>	<u>–</u>	<u>410,709</u>
<u>Carrying value:</u>					
At 1 July 2017	<u>4,457,031</u>	<u>3,589</u>	<u>62,581</u>	<u>–</u>	<u>4,523,201</u>
At 30 June 2018	<u>4,365,448</u>	<u>2,984</u>	<u>26,377</u>	<u>–</u>	<u>4,394,809</u>
At 30 June 2019	<u>4,273,865</u>	<u>584,668</u>	<u>77,043</u>	<u>192,208</u>	<u>5,127,784</u>
				<u>2019</u> \$	<u>2018</u> \$
Depreciation expense charged to:					
Accumulated Fund				927	14,850
Rotary Learning Institute Fund				1,695	283
Rotary House Project Fund				91,583	91,583
Rotary Family Service Centre Fund				25,230	17,901
MSF – Cyclical Maintenance Fund				4,855	–
				<u>124,290</u>	<u>124,617</u>

11. Trade and other receivables

	<u>2019</u> \$	<u>2018</u> \$
Outside parties	18,112	8,181
Member (Note 3)	–	20,000
Grant receivables	413,674	120,461
GST receivables	13,454	4,382
	<u>445,240</u>	<u>153,024</u>

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11. Trade and other receivables (cont'd)

The trade and other receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade and other receivables which can be graded as low risk individually are considered to have low credit risk. No loss allowance is necessary as at the end of the reporting year.

12. Other non-financial assets

	<u>2019</u>	<u>2018</u>
	\$	\$
Deposits to secure services	27,352	13,272
Prepayments	<u>12,744</u>	<u>7,154</u>
	<u>40,096</u>	<u>20,426</u>

13. Cash and cash equivalents

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash in hand	1,560	1,257
Cash at banks	1,033,180	1,919,149
Fixed deposits	<u>1,808,038</u>	<u>1,904,449</u>
	<u>2,842,778</u>	<u>3,824,855</u>
Not restricted in use	312,141	491,861
Cash under unrestricted designated fund	58,177	78,628
Cash under restricted funds		
- Rotary Family Services Centre Fund	1,808,030	2,557,429
- Rotary House Project Fund	–	105,014
- Programme / project funds	<u>664,430</u>	<u>591,923</u>
	<u>2,842,778</u>	<u>3,824,855</u>
Interest earning balances	<u>1,808,038</u>	<u>1,904,449</u>

The rate of interest for the cash on interest earning balances is between 0.15% and 1.90% (2018: 0.15% and 1.42%) per annum.

13A. Cash and cash equivalents in the statement of cash flows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Amount as shown above	2,842,778	3,824,855
Cash under unrestricted designated fund	(58,177)	(78,628)
Cash under restricted funds	<u>(2,472,460)</u>	<u>(3,254,366)</u>
Cash and cash equivalents for statement of cash flows purposes at end of year	<u>312,141</u>	<u>491,861</u>

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

14. Accumulated fund

	<u>2019</u> \$	<u>2018</u> \$
Unrestricted accumulated fund	<u>414,593</u>	<u>470,993</u>
Resources expended under accumulated fund	154,746	398,482
Ratio of reserves on unrestricted accumulated fund to unrestricted annual resources expended (times)	<u>2.68</u>	<u>1.18</u>

The accumulated fund aimed to provide financial stability and means for the development of Foundation activities. The Foundation intends to maintain the funds at a level sufficient for its operating needs. The directors reviews the level of funds regularly for Foundation's continuing obligations.

15. Funds

Unrestricted fund

- (a) Rotary Learning Institute ("RLI") Fund represents accumulated fund for the Institute's day to day operations.

Restricted funds

- (a) Rotary House Project Fund represents accumulated fund for the Rotary House's day to day operations.
- (b) Rotary Family Service Centre Fund represents accumulated fund for the exclusive use by the RFSC.
- (c) Ministry of Social and Family Development ("MSF") – Cyclical Maintenance Fund represents fund from Ministry of Social and Family Development provided to eligible organisations for cyclical maintenance works.

The programme / project funds of the Foundation comprise the following:

Programme funds

- (a) Children in Need Fund represents fund raised by Rotary Club of Bugis Junction to provide financial assistance to children identified by the social workers.
- (b) ITE Excellence Awards Fund represents fund for the purpose of rewarding ITE outstanding students to build self-confidence and pride in their skills.
- (c) Avoidable Blindness Fund represents fund raised to combat against blindness that can be avoided. The fund is used to help those inflicted with such illnesses and others who are at risk.
- (d) My Wish Fund represents fund raised by Rotary eClub of District 3310 to grant meaningful wishes to terminally-ill adult patients from low-income households.
- (e) Family Aid Fund represents fund raised by Rotary Club of Pandan Valley to provide financial aid for low-income families.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

Programme funds (cont'd)

- (f) Crohn's Irritable Bowel Disease (IBD) Fund represents fund raised by Rotary Club of Raffles City to support the patients suffering from IBS.
- (g) Cotton On Youth Project Fund represents fund to support youth projects that create positive and measureable change in the lives of young men and women in Singapore or an ASEAN country.
- (h) Meals from the Heart Fund represents fund raised to provide meal coupons to needy senior citizens residing in Boon Lay and Yuhua Constituency.
- (i) Happiness Fund represents fund raised by Rotary Club of Jurong Town for use in Inter-generational projects for the needy aged.
- (j) Children's Education / Kid's Read Fund represents fund raised by Rotary Club of Queenstown to provide interactive reading session with the school students.
- (k) Lee Foundation – Financial Assistance Fund represents fund from Lee Foundation for the purpose of providing financial assistance to low-income individuals for a period of six months.
- (l) School Pocket Money Fund represents fund (initiated by the Straits Times) to assist students from low-income families with their educational expenses.
- (m) Family Service Centre (FSC) Comcare fund represents fund from the Ministry of Social and Family Development for the purpose of providing urgent financial assistance to the FSC's active clients. Assistance to clients is disbursed in the form of cash, vouchers or food rations. Subsequent to the year end, additional funding was received to defray the deficit for the fund for the current reporting year.
- (n) RFSC SuperStudents Fund represents fund for primary and secondary school students bursary awards, education assistance fund and back to school fund.
- (o) Community Chest Haze Fund represents fund for the purpose of alleviating the haze situation by supporting programme operations and clients during the haze situation.
- (p) RFSC Ramadan Bonus Fund represents fund from Majlis Ugama Islam Singapura for once-off, lump-sum bonus provided to underprivileged Muslim families during the Ramadan festivities.

Projects funds

- (a) Check in for Charity fund;
- (b) Rotary Club of Singapore East ("RCSpore") East Education Bursary fund;
- (c) My Wish Movie Screening 2018 fund;
- (d) Rotary Club of Raffles City ("RCRC") Movie fund;

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15. Funds (cont'd)

Projects funds (cont'd)

- (e) Bread project fund;
- (f) Core Therapy Project;
- (g) Rotary Learning Institute ("RLI") start up fund;
- (h) Teck Ghee Corporate and Marketing Communications Committee ("CMCC");
- (i) Bag to school;
- (j) Project caregivers & eldercare;
- (k) Chinese New Year ("CNY") dinner;
- (l) Redhill food distribution;
- (m) Kids Fiesta;
- (n) Milk and diaper project fund;
- (o) Pneumonia Vaccination fund.

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15A. Programme and other project funds

	FRCS										RFSC						
	Children in Need Fund	ITE Excellence Awards Fund	Avoidable Blindness Fund	My Wish Fund	Crohn's IBD Fund	Cotton-On Youth Project Fund	Meals from the Hearts Fund	Happiness Fund	Children's Education / Kid's Read Fund	Other Project Funds (Note 15B)	Lee Foundation – Financial Assistance Fund	School Pocket Money Fund	FSC Comcare Fund	RFSC SuperStu- dents Fund	Communi- ty Chest Haze Fund	FSC Ramadan Bonus Fund	Total
2019	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Incoming Resources:</u>																	
Other grants	–	–	–	–	–	–	–	–	–	12,172	26,500	–	–	–	–	–	38,672
Donations	–	–	–	–	–	–	–	–	–	180,891	–	17,980	–	1,000	–	–	199,871
Total incoming resources	–	–	–	–	–	–	–	–	–	193,063	26,500	17,980	–	1,000	–	–	238,543
<u>Resources Expended:</u>																	
Programme expenses	–	960	–	–	–	10,000	4,800	2,621	–	103,647	22,420	23,040	8,681	–	–	5,400	181,569
Total resources expended	–	960	–	–	–	10,000	4,800	2,621	–	103,647	22,420	23,040	8,681	–	–	5,400	181,569
Net surplus / (deficit)	–	(960)	–	–	–	(10,000)	(4,800)	(2,621)	–	89,416	4,080	(5,060)	(8,681)	1,000	–	(5,400)	56,974
Balance as at 1 July 2018	1,592	3,428	167,023	29,322	16,329	153,000	45,028	67,666	1	75,655	7,270	13,830	8,540	–	872	5,400	594,956
Fund transfer	–	–	–	–	–	–	–	–	–	12,500	–	–	–	–	–	–	12,500
Balance as at 30 June 2019	1,592	2,468	167,023	29,322	16,329	143,000	40,228	65,045	1	177,571	11,350	8,770	(141)	1,000	872	–	664,430

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15A. Programme and other project funds (cont'd)

	FRCS											RFSC							
	Children in Need Fund \$	ITE Excellence Awards Fund \$	Avoidable Blindness Fund \$	My Wish Fund \$	Family Aid Fund \$	Crohn's IBD Fund \$	Cotton-On Youth Project Fund \$	Meals from the Hearts Fund \$	Happiness Fund \$	Children's Education /Kid's Read Fund \$	Other Project Funds (Note 15B) \$	Lee Foundation – Financial Assistance Fund \$	School Pocket Money Fund \$	FSC Comcare Fund \$	RFSC SuperStu- dents Fund \$	Communi- ty Chest Haze Fund \$	FSC Ramadan Bonus Fund \$	Total \$	
<u>2018</u>																			
<u>Incoming Resources:</u>																			
Other grants	–	–	–	–	–	–	–	–	–	–	–	15,420	–	8,107	–	–	5,400	28,927	
Donations	–	3,000	–	–	2,500	–	–	–	–	–	78,270	–	30,443	–	–	–	–	114,213	
Total incoming resources	–	3,000	–	–	2,500	–	–	–	–	–	78,270	15,420	30,443	8,107	–	–	5,400	143,140	
<u>Resources Expended:</u>																			
Programme expenses	–	960	1,144	1,124	3,740	–	14,000	–	5,138	4,317	51,809	14,870	23,680	4,770	2,475	–	–	128,027	
Total resources expended	–	960	1,144	1,124	3,740	–	14,000	–	5,138	4,317	51,809	14,870	23,680	4,770	2,475	–	–	128,027	
Net surplus / (deficit)	–	2,040	(1,144)	(1,124)	(1,240)	–	(14,000)	–	(5,138)	(4,317)	26,461	550	6,763	3,337	(2,475)	–	5,400	15,113	
Balance as at 1 July 2017	1,592	1,388	168,167	30,446	1,240	16,329	167,000	45,028	72,804	4,318	39,085	6,720	7,067	5,203	2,475	872	–	569,734	
Fund transfer	–	–	–	–	–	–	–	–	–	–	10,109	–	–	–	–	–	–	10,109	
Balance as at 30 June 2018	1,592	3,428	167,023	29,322	–	16,329	153,000	45,028	67,666	1	75,655	7,270	13,830	8,540	–	872	5,400	594,956	

FOUNDATION OF ROTARY CLUBS (SINGAPORE) LTD

15B. Other project funds

	FRCS													
2019	Check in for Charity (Tanglin) Fund \$	RCSpre East Education Bursary Fund \$	My Wish Movie Screening 2018 \$	RCRC Movie \$	Bread project \$	Core Therapy Project \$	RLI Start up fund \$	Teck Ghee CMCC \$	Bags to school \$	Project caregivers & Eldercare \$	CNY Dinner \$	Redhill Food distribution \$	Kids Fiesta \$	Total \$
<u>Incoming Resources:</u>														
Other grants	—	—	12,172	—	—	—	—	—	—	—	—	—	—	12,172
Donations	—	—	30,090	—	40,076	—	14,700	2,500	12,200	72,000	1,800	2,550	4,975	180,891
Total incoming resources	—	—	42,262	—	40,076	—	14,700	2,500	12,200	72,000	1,800	2,550	4,975	193,063
<u>Resources Expended:</u>														
Programme expenses	—	—	5,395	—	43,792	35,410	—	2,500	12,200	—	1,800	2,550	—	103,647
Total resources expended	—	—	5,395	—	43,792	35,410	—	2,500	12,200	—	1,800	2,550	—	103,647
Net surplus / (deficit)	—	—	36,867	—	(3,716)	(35,410)	14,700	—	—	72,000	—	—	4,975	89,416
Balance as at 1 July 2018	7,340	26,245	60	6,600	—	35,410	—	—	—	—	—	—	—	75,655
Fund transfer	—	—	—	—	12,500	—	—	—	—	—	—	—	—	12,500
Balance as at 30 June 2019	7,340	26,245	36,927	6,600	8,784	—	14,700	—	—	72,000	—	—	4,975	177,571

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15B. Other project funds (cont'd)

	FRCS								
<u>2018</u>	Check in for Charity (Tanglin) Fund \$	RCSpore East Education Bursary Fund \$	My Wish Movie Screening 2018 \$	RCRC Movie \$	Milk and Diaper Project \$	Bread project \$	Pneumonia Vaccination \$	Core Therapy Project \$	Total \$
Incoming Resources:									
Donations	–	–	60	6,600	7,200	20,000	9,000	35,410	78,270
Total incoming resources	–	–	60	6,600	7,200	20,000	9,000	35,410	78,270
Resources Expended:									
Programme expenses	–	5,500	–	–	10,233	27,076	9,000	–	51,809
Total resources expended	–	5,500	–	–	10,233	27,076	9,000	–	51,809
Net surplus / (deficit)	–	(5,500)	60	6,600	(3,033)	(7,076)	–	35,410	26,461
Balance as at 1 July 2017	7,340	31,745	–	–	–	–	–	–	39,085
Fund transfer	–	–	–	–	3,033	7,076	–	–	10,109
Balance as at 30 June 2018	7,340	26,245	60	6,600	–	–	–	35,410	75,655

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16. Categorisation of fund account balances

	Unrestricted		Restricted						
	Accumulated Fund \$	Rotary Learning Institute Fund \$	Rotary House Project Fund \$	Rotary Family Service Centre Fund \$	MSF – Cyclical Maintenance Fund \$	Programme funds (Note 15) \$	Sub Total \$	Elimination between funds \$	Total \$
2019									
Assets									
Non-current assets									
Property, plant and equipment	464	3,819	4,466,073	468,087	189,341	–	5,123,501	–	5,127,784
	464	3,819	4,466,073	468,087	189,341	–	5,123,501	–	5,127,784
Current assets									
Trade and other receivables	7,441	10,670	13,455	419,192	–	–	432,647	(5,518)	445,240
Other non-financial assets	24,343	3,978	–	11,775	–	–	11,775	–	40,096
Interfund balances	77,681	–	–	–	–	–	–	–	77,681
Cash and cash equivalents	312,141	58,177	–	1,808,030	–	664,430	2,472,460	–	2,842,778
	421,606	72,825	13,455	2,238,997	–	664,430	2,916,882	(5,518)	3,405,795
Total assets	422,070	76,644	4,479,528	2,707,084	189,341	664,430	8,040,383	(5,518)	8,533,579
Liabilities									
Current liabilities									
Other payables	19,707	5,721	106,061	322,360	–	–	428,421	(5,518)	448,331
Interfund balances	–	23,501	54,180	–	–	–	54,180	–	77,681
Transfer between funds	(12,230)	–	–	12,230	–	–	12,230	–	–
	7,477	29,222	160,241	334,590	–	–	494,831	(5,518)	526,012
Non-current liabilities									
Other financial liabilities	–	50,000	–	–	–	–	–	–	50,000
	–	50,000	–	–	–	–	–	–	50,000
Net assets	414,593	(2,578)	4,319,287	2,372,494	189,341	664,430	7,545,552	–	7,957,567

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16. Categorisation of fund account balances (cont'd)

	Unrestricted		Restricted					
	Accumulated Fund \$	Rotary Learning Institute Fund \$	Rotary House Project Fund \$	Rotary Family Service Centre Fund \$	Programme funds (Note 15) \$	Sub Total \$	Elimination between funds \$	Total \$
<u>2018</u>								
Assets								
<u>Non-current assets</u>								
Property, plant and equipment	1,392	5,514	4,365,448	22,455	—	4,387,903	—	4,394,809
	<u>1,392</u>	<u>5,514</u>	<u>4,365,448</u>	<u>22,455</u>	<u>—</u>	<u>4,387,903</u>	<u>—</u>	<u>4,394,809</u>
<u>Current assets</u>								
Trade and other receivables	14,381	—	—	125,472	20,000	145,472	(6,829)	153,024
Inventories	600	—	—	—	—	—	—	600
Other non-financial assets	6,551	3,932	—	9,943	—	9,943	—	20,426
Cash and cash equivalents	491,861	78,428	105,014	2,557,429	591,923	3,254,366	200	3,824,855
	<u>513,393</u>	<u>82,360</u>	<u>105,014</u>	<u>2,692,844</u>	<u>611,923</u>	<u>3,409,781</u>	<u>(6,629)</u>	<u>3,998,905</u>
Total assets	<u>514,785</u>	<u>87,874</u>	<u>4,470,462</u>	<u>2,715,299</u>	<u>611,923</u>	<u>7,797,684</u>	<u>(6,629)</u>	<u>8,393,714</u>
Liabilities								
<u>Current liabilities</u>								
Other payables	45,913	1,451	—	224,678	27,076	251,754	(6,629)	292,489
Transfer between funds	(2,121)	—	—	12,230	(10,109)	2,121	—	—
	<u>43,792</u>	<u>1,451</u>	<u>—</u>	<u>236,908</u>	<u>16,967</u>	<u>253,875</u>	<u>(6,629)</u>	<u>292,489</u>
Net assets	<u>470,993</u>	<u>86,423</u>	<u>4,470,462</u>	<u>2,478,391</u>	<u>594,956</u>	<u>7,543,809</u>	<u>—</u>	<u>8,101,225</u>

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17. Other payables

	<u>2019</u>	<u>2018</u>
	\$	\$
Other payable and accrued liabilities	366,335	279,259
For purchase of plant and equipment	78,766	–
Rental deposit received	3,230	13,230
	<u>448,331</u>	<u>292,489</u>

18. Other financial liabilities, non-current

	<u>2019</u>	<u>2018</u>
	\$	\$
Loan from a Rotarian	<u>50,000</u>	<u>–</u>

The loan is unsecured and non-interest bearing. The loan is for a period of two years and it is repayable in July 2020. The carrying amount is a reasonable approximation of fair value (Level 3).

19. Capital commitment

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Commitments for renovation works	<u>128,138</u>	<u>–</u>

20. Operating lease income commitments – as lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Not later than one year	–	37,380
Later than one year and not later than five years	–	–
	<u>–</u>	<u>37,380</u>
Rental income for the year	<u>48,520</u>	<u>133,665</u>

Operating lease income commitments are for certain leasehold properties. The lease rental income terms are negotiated for terms ranging from one to two years.

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21. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Not later than one year	43,540	45,240
Later than one year and not later than five years	<u>64,696</u>	<u>108,231</u>
	<u>108,236</u>	<u>153,471</u>
 Rental expenses for the year	 <u>61,055</u>	 <u>41,746</u>

Operating lease payments are for rentals payable for office premises. The lease rental terms are negotiated for terms ranging from two to five years.

22. Financial instruments: information on financial risks

23A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	3,288,018	3,977,879
At end of the year	<u>3,288,018</u>	<u>3,977,879</u>
 <u>Financial liabilities:</u>		
Financial liabilities at amortised cost	498,331	292,489
At end of the year	<u>498,331</u>	<u>292,489</u>

Further quantitative disclosures are included throughout these financial statements.

23B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

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23. Financial instruments: information on financial risks (cont'd)

23C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

23D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

23E. Liquidity risk – financial liabilities maturity

There are no liabilities contracted to fall due after twelve months at the end of the reporting year except for other financial liabilities disclosed in Note 18.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The Foundation has sufficient cash balances to support cash commitments from their existing liabilities.

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23. Financial instruments: information on financial risks (cont'd)

23F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<u>2019</u> \$	<u>2018</u> \$
Financial assets:		
Fixed rates	<u>1,808,038</u>	<u>1,904,449</u>

Sensitivity analysis: The effect on pre-tax profit is not significant.

23G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

There is insignificant exposure to foreign currency risk as part of its normal business.

23. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>SFRS No.</u>	<u>Title</u>
SFRS 109	Financial Instruments
SFRS 115	Revenue from Contracts with Customers.
	Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers

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24. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS No.</u>	<u>Title</u>	Effective date for periods beginning <u>on or after</u>
SFRS 116	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)	1 Jan 2019

Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessor, the accounting remains largely unchanged. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee, almost all leases will be brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the entity's non-cancellable operating lease commitments as at 30 June 2019 shown in Note 21, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases. Thus, the entity will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by management is completed.