



# 恩泽关怀机构

Providence Care Ltd.

Reg no:200710144K

## 年册

Annual Report

(2012年7月1日-2013年6月30日)

# 2013

日期: 2013年12月7日(星期六)

时间: 下午两点正

地点: 福康宁聚会

7 Amenian Street

Bible House, #05-01

Singapore 179932



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# 恩泽关怀机构常年报告

(2012年7月至2013年6月)

刘祖湛长老报告

## 报告事项:

### 1. 场地租约

机构已与健友建筑私人有限公司续三年租约，从 01/07/2013 至 20/03/2016, 租用面积因需要之调整而相应减少。

### 2. 功课加油站工作进展

#### A. Bukit Batok 补习课程

2013 年共开 33 班, 由 11 位老师负责, 收生 61 位, 其中有 11 位接受贫寒资助, 义工 8 位。

#### B. Jurong 补习课程

2013 共 49 班, 有 16 位老师负责, 收生 156 位, 其中有 11 位接受贫寒资助, 义工 2 位。

### 3. 家长回应调查

2013 年 2 月机构作出家长对补习课程回应调查结果如下:

A. 环境合适 83%

B. 得到帮助 73%

C. 成绩进步 58%

D. 需要特别活动 54%

### 4. Jurong East Street 32 项目

2013 年 5 月应 Jurong GRC 议员邀请探讨机构联同 Providence Community Services 在 Jurong East Street 32 Blk 371/372 or 373/374 设立社会服务中心之可行性。计划落实后 Providence Community Services 将与恩泽堂另签订合同而工作由机构负责推动。

计划目前在探讨阶段。

5. 新董事加入  
董事会邀请詹玉珍加入为董事。
6. 人事  
机构经理刘韵梅于 2013 年 2 月 28 日辞去经理职位。
7. 辅导服务  
由于辅导员职位空缺, 辅导服务仍未恢复。
8. 活动  
参阅附录。

## PCL Event Report for 2012/13

S/N	Date	Event	Description	Organization	Number of Participants	Expenses incurred	Fee Collected
01	08/09/12	Teacher's Day	Lunch Appreciation for Tutors/ Volunteer, buffet tim-sam were ordered for both JR & BB	PCL	22	\$398.25	
02	29/09/12	Outing cum Children's Day Celebration	Outing to Hort Park, program included wondering in Butterfly Park and other Gardens, Lunch, Group games organize by volunteers.	PCL		\$808.70 Cost to PCL: \$702.70	\$106
03	03/11/11	校园电视台	Children's Enrichment Program	PCL	14	\$373.90 Cost to PCL: \$63.90	\$310
04	17/11/12	BB Graduation	Organize by PPC-BB	PPC-BB	55	0	
05	08/12/12	JR Graduation	Organize by PPC-JR	PPC-JR	100	0	
06	19/01/13*	Cooking Demo	CNY Cake making	PCL PPC-BB	8	0	
07	25/05/13	Cooking Demo	Mee Siam	PCL PPC-BB	9	0	
08	15/06/13	1 Day tour	West Malaysia Desaru – Visiting Fruit Farm, Ostrich Farm & Fireflies Watching	PCL PPC-BB	18	0	

# 财政收支报告

1/7/2012 – 30/6/2013

**PROVIDENCE CARE LIMITED**

( Co. Regn. No: 200710144K )

(Incorporated in Singapore)  
(A company limited by guarantee and  
not having a share capital)

**REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 2013**

# PROVIDENCE CARE LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company for the financial year ended 30 June 2013.

### 1 DIRECTORS

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

Mr Lau Cho Cham  
Mr Ong Ah Hian  
Mr Pan Tong Yuen  
Mr Theng Cheow Soon  
Mr Low Lye Beng  
Ms Chiam Geok Tin, Carol (appointed on 18.02.2013)

### 2 ARRANGEMENT TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

### 3 SHARES, DEBENTURES, DIVIDENDS AND SHARE OPTIONS

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares, debentures, dividends or share options are not applicable.


### 4 DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.


### 5 INDEPENDENT AUDITOR

The independent auditor, Gabriel Ng & Co, has expressed its willingness to accept re-appointment.

On behalf of the board



THENG CHEOW SOON  
Director

  
LAU CHO CHAM  
Director

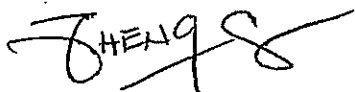
30 August 2013

## PROVIDENCE CARE LIMITED

### STATEMENT OF DIRECTORS

In the opinion of the directors, the accompanying financial statements of the Company set out on pages 5 to 18 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2013 and of the results of the business, changes in general fund and cash flows of the Company for the financial year then ended, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board



THENG CHEOW SOON  
Director



LAU CHO CHAM  
Director

30 August 2013

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE CARE LIMITED

### *Report on the Financial Statements*

We have audited the accompanying financial statements of **Providence Care Ltd** (the "Company"), which comprise the balance sheet as at 30 June 2013, and the statement of comprehensive income and expenditure, statement of changes in general fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore 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 statement of comprehensive income and expenditure and balance sheet and to maintain accountability of assets.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, 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.

### *Opinion*

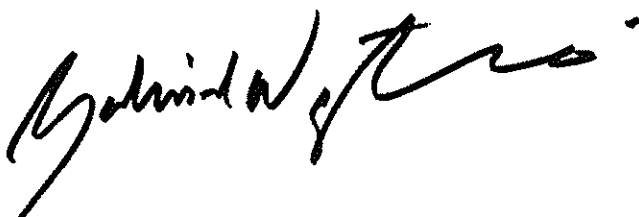
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 June 2013 and the results, changes in general fund and cash flows of the Company for the year ended on that date.

### *Emphasis of matter*

We draw attention to Note 14 in the financial statements which indicates that the Company incurred a net deficit of \$5,705 during the financial year ended 30 June 2013 and, as of that date, the Company's total liabilities exceeded its total assets by \$11,473. These conditions, along with other matters as set forth in Note 14, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our audit opinion is not qualified in respect of this matter.

### ***Report on Other Legal and Regulatory Requirements***

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



**GABRIEL NG & CO**  
Public Accountants and  
Chartered Accountants

Singapore  
30 August 2013

# PROVIDENCE CARE LIMITED

## BALANCE SHEET AS AT 30 JUNE 2013

	<u>Note</u>	<u>2013</u>	<u>2012</u>
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Other receivables	5	46,800	46,800
Cash and cash equivalents	6	13,343	19,245
Tax recoverable		13	13
		<u>60,156</u>	<u>66,058</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	<u>2,057</u>	<u>3,150</u>
<b>Total assets</b>		<u>62,213</u>	<u>69,208</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	8	<u>73,686</u>	<u>74,976</u>
<b>NET LIABILITIES</b>		<u>(11,473)</u>	<u>(5,768)</u>
Represented by:			
<b>GENERAL FUND IN DEFICIT</b>		<u>(11,473)</u>	<u>(5,768)</u>

*The accompanying notes to the financial statements form an integral part of the financial statements*

## PROVIDENCE CARE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2013

	<u>Note</u>	<u>2013</u>	<u>2012</u>
		\$	\$
<b><u>INCOME</u></b>			
Contributions from Providence Presbyterian Church		292,190	274,340
Tuition fees		105,689	113,466
Government grants		7,703	5,000
		<u>405,582</u>	<u>392,806</u>
<b><u>LESS: EXPENDITURE</u></b>			
Auditor's remuneration		2,000	1,800
Bank charges		76	76
Care programme		1,610	3,366
Cleaning expenses		4,908	3,000
Depreciation of property, plant and equipment	7	1,093	1,093
General expenses		1,105	1,014
Materials for tuition		5,771	6,149
Medical expenses		638	440
Insurance		401	401
Printing and stationery		840	500
Professional fee		6,495	6,359
Rental of premises		191,316	191,316
Staff salaries and related costs		60,369	66,764
Employer's CPF contribution for staff		6,700	7,398
Stamp duty		624	-
Tutors' fees		116,671	99,515
Utilities		10,670	11,001
Upkeep of property, plant and equipment		-	79
		<u>411,287</u>	<u>400,271</u>
<b>DEFICIT BEFORE INCOME TAX</b>		(5,705)	(7,465)
<b>INCOME TAX</b>	10	-	-
<b>DEFICIT AFTER INCOME TAX</b>		<u>(5,705)</u>	<u>(7,465)</u>

*The accompanying notes to the financial statements form an integral part of the financial statements*

## PROVIDENCE CARE LIMITED

### STATEMENT OF CHANGES IN GENERAL FUND FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Balance at beginning of year	(5,768)	1,697
Deficit for the year	<u>(5,705)</u>	<u>(7,465)</u>
Balance at end of year	<u>(11,473)</u>	<u>(5,768)</u>

*The accompanying notes to the financial statements form an integral part of the financial statements*

## PROVIDENCE CARE LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	<u>Note</u>	<u>2013</u> \$	<u>2012</u> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit before income tax		(5,705)	(7,465)
Adjustment for:			
Depreciation of property, plant and equipment	7	1,093	1,093
Operating deficit before working capital changes		(4,612)	(6,372)
Decrease in other payables		(1,290)	(3,270)
Cash used in operations		(5,902)	(9,642)
Income tax paid		-	(13)
<b>Net cash outflow from operating activities</b>		<u>(5,902)</u>	<u>(9,655)</u>
Net decrease in cash and cash equivalents		(5,902)	(9,655)
Cash and cash equivalents at beginning of year		19,245	28,900
Cash and cash equivalents at end of year	6	<u>13,343</u>	<u>19,245</u>

*The accompanying notes to the financial statements form an integral part of the financial statements*

# PROVIDENCE CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

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

### 1 GENERAL

Providence Care Limited (the "Company") is a company limited by guarantee without a share capital, incorporated and domiciled in the Republic of Singapore (Company registration no: 200710144K). The registered office of the Company is at Block 7 Jurong West Avenue 5 #02-03 Singapore 649486.

The principal activities of the Company are to provide tuition support services and counselling to needy individuals, families and members of the public.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRSs) and on a historical cost convention, except as disclosed in the accounting policies below.

At the date of authorisation of these financial statements, the Company has not adopted the following FRSs that have been issued but not yet effective:

	<u>Effective for annual periods beginning on or after:</u>
FRS 19 – Employee Benefits	1 January 2013
FRS 113 – Fair Value Measurements	1 January 2013
<u>Improvements of FRSs issued in 2012</u>	
Amendments to FRS 1 – Presentation of Financial Statements	1 January 2013

The management expects that the adoption of the FRSs above will have no material impact on the financial statements in the period of initial application.

In the current financial year, the Company adopted all relevant, new or revised FRSs and Interpretations to FRSs (INT FRSs) that are effective in the current financial year. The adoption of these new and revised FRSs and INT FRSs did not result in substantial changes to the Company's accounting policies nor have any significant impact on these financial statements.

#### (b) Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances.

# PROVIDENCE CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

(c) **Functional and presentation currency**

The management has determined the currency of the primary economic environment in which the Company operates to be Singapore Dollar (the "functional currency"). The financial statements are presented in Singapore Dollar which is the Company's functional currency.

(d) **Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost and are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives. The annual rates of depreciation are as follow:

Furniture and fittings	-	20%
Electrical installation	-	20%

(e) **Financial instruments**

***Non-derivative financial instruments***

Non-derivative financial instruments comprise other receivables, cash and cash equivalents and other payables. Other receivables are with fixed or determinable payments that are not quoted in an active market.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Non-derivative financial instruments are initially recognised at fair values plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the assets.

Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using effective interest rate method less any impairment losses.

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in statement of comprehensive income and expenditure.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Gains and losses are recognised in statement of comprehensive income and expenditure when the financial liabilities are derecognised, and through amortisation process.

## PROVIDENCE CARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

(f) **Impairment on non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss suffered. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of comprehensive income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income and expenditure, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) **Income recognition**

Income is recognised to the extent that it can be reliably measured and it is probable that the economic benefits will flow to the Company. Income is measured at the fair value of consideration received or receivable and is arrived at after deduction of trade discount.

Contribution from Providence Presbyterian Church is recognised on cash basis.

Tuition fee is recognised when due.

(h) **Employee benefits**

*Defined contribution plan*

The Company makes contributions to the state provident fund known as Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

## PROVIDENCE CARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

#### (i) Impairment of financial assets

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income and expenditure.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

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 is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of comprehensive income and expenditure.

#### (j) Income tax

Income tax on the surplus or deficit for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income and expenditure except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences arising between the carrying amounts and tax bases of assets and liabilities at the balance sheet date in the financial statements. The amounts of deferred tax provided is based on the manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## PROVIDENCE CARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

#### (k) Related parties

A related party is defined as follows:

- (1) A person or a close member of that person's family is related to the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (2) An entity is related to the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (1);
  - (vii) A person identified in (1) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements in conformity with FRSs requires the use of judgements, 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 revenue and expenses during the financial year. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from those estimates.

However, the management is of the opinion that no estimates, judgements or key assumptions are expected to have a significant effect and material adjustment to the carrying amounts of assets, liabilities, income and expenses, and disclosure made, within the next financial year.

# PROVIDENCE CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2013

### 4 HOLDING ENTITY

By virtue that Providence Presbyterian Church (PPC) has power to govern the financial and operating policies of the Company, the Company is considered a subsidiary of PPC. PPC is an independent congregation under the Chinese Presbytery of the Presbyterian Church in Singapore. PPC is the Company's ultimate holding entity.

### 5 OTHER RECEIVABLES

	<u>2013</u>	<u>2012</u>
	\$	\$
Deposit	46,700	46,700
Prepayment	100	100
	<u>46,800</u>	<u>46,800</u>

### 6 CASH AND CASH EQUIVALENTS

	<u>2013</u>	<u>2012</u>
	\$	\$
Bank balance	12,824	18,538
Cash balances	519	707
	<u>13,343</u>	<u>19,245</u>

### 7 PROPERTY, PLANT AND EQUIPMENT

<u>2013</u>	<u>AT 01.07.2012</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>AT 30.06.2013</u>
<u>COST</u>	\$	\$	\$	\$
Furniture and fittings	638	-	-	638
Electrical installation	4,826	-	-	4,826
	<u>5,464</u>	<u>-</u>	<u>-</u>	<u>5,464</u>

#### ACCUMULATED DEPRECIATION

Furniture and fittings	384	128	-	512
Electrical installation	1,930	965	-	2,895
	<u>2,314</u>	<u>1,093</u>	<u>-</u>	<u>3,407</u>

<u>NET CARRYING AMOUNT</u>	<u>2013</u>
	\$
Furniture and fittings	126
Electrical installation	1,931
	<u>2,057</u>

# PROVIDENCE CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2013

2012 <u>COST</u>	AT 01.07.2011	ADDITIONS	DISPOSALS	AT 30.06.2012
	\$	\$	\$	\$
Furniture and fittings	638	-	-	638
Electrical installation	4,826	-	-	4,826
	<u>5,464</u>	<u>-</u>	<u>-</u>	<u>5,464</u>
 <u>ACCUMULATED DEPRECIATION</u>				
Furniture and fittings	256	128	-	384
Electrical installation	965	965	-	1,930
	<u>1,221</u>	<u>1,093</u>	<u>-</u>	<u>2,314</u>
 <u>NET CARRYING AMOUNT</u>				<u>2012</u>
				\$
Furniture and fittings				254
Electrical installation				2,896
				<u>3,150</u>

### 8 OTHER PAYABLES

	2013	2012
	\$	\$
Amount owing to holding entity	57,500	57,500
Tuition fee received in advance	1,093	175
Refundable deposit	10,202	11,582
Staff costs and benefits	429	1,436
Other operating expenses	4,462	4,283
	<u>73,686</u>	<u>74,976</u>

The amount owing to holding entity is non-trade debt, unsecured, non-interest bearing and repayable on demand.

### 9 COMMITMENTS

Future minimum fixed monthly rental payable by the Company but not recognised as payable, are as follow:

	2013	2012
	\$	\$
Payable within 1 year	83,460	143,487
Payable after 1 year but within 5 years	142,578	-
	<u>226,038</u>	<u>143,487</u>

The lease has tenure of 33 months, with an option to renew the lease for a further term at a rent to be mutually agreed.

## PROVIDENCE CARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

#### 10 INCOME TAX

No income tax has been provided for the current financial year as the Company is in a tax loss position.

The income tax on the results for the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to deficit before income tax was due to the following factors:

	<u>2013</u>	<u>2012</u>
	\$	\$
Deficit before income tax	<u>(5,705)</u>	<u>(7,465)</u>
Tax calculated at tax rate of 17%	(970)	(1,269)
Current year deferred tax assets not recognised	51,386	1,269
Expenses not deductible for tax purpose	106	-
Income not subject to tax	<u>(50,522)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Deferred tax assets not accounted for in the financial statements due to uncertainty of its recoverability are as follows:

	<u>2013</u>	<u>2012</u>
	\$	\$
Accelerated depreciation for tax purposes	(350)	(262)
Unutilised trade losses	151,562	3,309
	<u>151,212</u>	<u>3,047</u>

As at 30 June 2013, subject to the agreement of the Comptroller of Income Tax, and compliance with certain conditions of the Income Tax Act, Cap. 134, the Company has estimated unutilised trade losses of \$892,000 (2012: \$19,000) at the end of the financial year which are available for set off against its future taxable income.

#### 11 RELATED PARTY TRANSACTION

Significant related party transaction during the financial year based on mutually agreed amounts refers to contributions received from PPC amounting to \$292,190 (2012: \$274,340).

#### 12 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 30 August 2013.

# PROVIDENCE CARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2013

### 13 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Company's principal and related activities, and ensuring long-term financial sustainability. The Company's overall strategy remains unchanged since prior year.

### 14 GOING CONCERN

The financial statements of the Company have been prepared on a going concern basis, notwithstanding the net deficit of \$5,705 and net liabilities of \$11,473 as shown in the balance sheet as at 30 June 2013, as the holding entity have agreed to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

The validity of the going concern assumption on which the financial statements of the Company are prepared is dependent on the holding entity's continuing financial support and the ability of the Company to generate positive cash flow. In the event of an absence of continuing financial support from the holding entity or the Company's inability to generate positive cash inflow, the Company will no longer be able to continue as a going concern and may not be able to realise their assets and discharge their liabilities in the normal course of business.

The financial statements of the Company do not take into account any adjustments to the financial statements that would have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Company may have to provide for any further liabilities which may arise and to reclassify non-current assets as current assets.

### 15 FINANCIAL INSTRUMENTS

#### Risk management

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company reviews and agrees policies for managing each of these risks and they are summarised below:

#### Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The major class of financial assets of the Company are bank balance and rental deposit. To mitigate this risk, the Company ensured that bank balance is placed with reputable financial institution with no history of default. For rental deposit, it is governed by the terms and conditions of the tenancy agreement.

#### Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

## PROVIDENCE CARE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2013

The major class of financial liabilities of the Company is other payables amounting to \$73,686 (2012: \$74,976) that are expected to mature within 1 year.

#### *Sensitivity analysis*

The operation of the Company does not expose itself to any market risk. In view of this, sensitivity analysis of market risk is not applicable to the Company.

#### **Fair value**

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximate their respective net fair values due to the relatively short-term maturity of these financial instruments.