Table Of Contents

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

STATEMENT BY AGENTS

We, Trihadi Saptoadi and James Quek, the agents of World Vision International - Singapore Operations, state that, in our opinion, the financial statements set out on pages 6 to 24 are drawn up so as to give a true and fair view of the assets used in, and liabilities arising out of, the branch's operations in Singapore as at 30 September 2010, and the results, movements in head office account and cash flows of the branch's operations in Singapore for the year then ended.

Trihadi Saptoadi
Local Agent

James Quek
Local Agent

Singapore, 21 February 2011

INDEPENDENT AUDITORS' REPORT PURSUANT TO

SECTION 373 OF THE SINGAPORE COMPANIES ACT

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

We have audited the accompanying financial statements, set out on pages 6 to 24, of World Vision International - Singapore Operations ("the branch"), pursuant to section 373 of the Companies Act, Cap. 50 (the "Act"). These financial statements comprise the balance sheet (statement of financial position) as at 30 September 2010, and the statement of comprehensive income, statement of changes in head office account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Singapore branch is a segment of World Vision International and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the branch and reflect only transactions recorded locally.

Management's Responsibility for the Financial Statements

The branch's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Act and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT PURSUANT TO

SECTION 373 OF THE SINGAPORE COMPANIES ACT

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

(continued)

In our opinion,

(a) the financial statements of the branch 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 assets used in, and liabilities arising out of, the branch's operations in Singapore as at 30 September 2010 and the results, movements in head office account and cash flows of the branch's operations in Singapore for the year ended on that date; and

(b) the accounting and other records examined by us relating to the branch's operations in Singapore have been properly kept in accordance with the provisions of the Act.

Singapore, 21 February 2011

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

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

Statement of Comprehensive Income for the year ended 30 September 2010

	Notes	2010 Support Office $	2009 $
Donations received	4	11,505,225	10,720,329
Funds received from			
-World Vision International		-	-
-National Office		-	-
Other income	5	34,014	59,688
Donations remitted to World Vision International for:			
- International ministry		(8,936,817)	(8,946,801)
- Microfinance		(210,638)	-
Programs' expenditures	6	(92,565)	(78,653)
		2,299,219	1,754,563
Administrative expenses	7	(2,141,022)	(1,980,698)
(Deficit)/surplus before tax		158,197	(226,135)
Income tax expense	8	-	5,378
Net (deficit)/surplus for the year		158,197	220,757
Other comprehensive income:			
Translation differences		-	-
Other comprehensive income, net of tax	-	-	-
Total comprehensive income		158,197	(220,757)

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

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

Statement of Financial Position as at 30 September 2010

	Notes	2010 Support Office	2009
		$	$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	42,052	68,271
Total Non-Current Assets		42,052	68,271
CURRENT ASSETS			
GIK inventory		-	34,185
Receivables	10	114,462	66,090
Fixed deposits with bank	11	11,128	11,122
Cash and bank balances		762,713	622,915
Total Current Assets		888,303	734,312
Total Assets		930,355	802,583
FUNDS AND LIABILITIES			
FUNDS			
Head Office Account		714,098	555,901
Christian Ministry Fund	12	21,602	55,578
Total Funds		735,700	611,479
CURRENT LIABILITIES			
Other payables	13	194,655	191,104
Total Current Liabilities		194,655	191,104
Total Funds and Liabilities		930,355	802,583

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

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

Statement of Changes in Head Office Account
for the year ended 30 September 2010

	Support Office
	$
Balance as at 30 September 2008	776,658
Total comprehensive income for the year	(220,757)
Balance as at 30 September 2009	555,901
Total comprehensive income for the year	158,197
Balance as at 30 September 2010	714,098

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

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

Statement of Cash Flows for the year ended 30 September 2010

	Note	2010 Support Office	2009
		$	$
CASH FLOW FROM OPERATING ACTIVITIES:			
(Deficit)/surplus before tax		158,197	226,135
Adjustments for:			
Depreciation on property, plant and equipment	9	38,297	35,902
Exchange differences		3,035	1,060
Loss on disposal of property, plant and equipment		-	10,194
Interest income		(1,797)	(4,965)
Operating (deficit)/surplus before working capital changes		197,732	(183,944)
Decrease/(increase) in inventories		34,185	(34,185)
(Increase)/decrease in receivables		(48,372)	186,445
Increase/(decrease) in payables		3,551	10,988
Cash generated from operations		187,096	20,696
Interest earned		1,797	4,965
Payment of income tax		-	(3,822)
Net cash from operating activities		188,893	(19,553)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in fixed deposit with maturity over 1 year	11	-	-
Proceeds from disposal of property, plant and equipment		-	300
Purchase of property, plant and equipment	9	(12,078)	(33,662)
Net cash used in investing activities		(12,078)	(33,362)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Decrease in Christian Ministry Fund		(33,976)	(23,645)
Net cash used in financing activities		(33,976)	(23,645)
Net (decrease)/increase in cash and cash equivalents		142,839	76,560
Effect of exchange rate changes on cash and cash equivalents		(3,035)	(1,060)
Cash and cash equivalents at beginning of the year		634,037	711,657
Cash and cash equivalents at end of the year	14	773,841	634,037

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

NOTES TO THE FINANCIAL STATEMENTS - 30 September 2010

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

1. GENERAL INFORMATION

The branch is registered and domiciled in the Republic of Singapore. Its registered office and principal place of operations is located at 750B Chai Chee Road, #03-02 Technopark @ Chai Chee, Singapore 469002.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The branch presents its financial statements in Singapore dollars, which is also its functional currency. These financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and comply with Singapore Financial Reporting Standards (“FRS”), including related Interpretations promulgated by the Accounting Standards Council, as required by the Companies Act.

During the financial year, the branch adopted all the applicable new/revised FRS which are effective on or before 1 October 2009.

On 1 October 2009, the branch adopted the following new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date:

- FRS 1 (revised) *Presentation of financial statements* (effective from 1 January 2009). The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in head office account includes only details of transactions with owners, with all non-owner changes in head office account presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement (the statement of comprehensive income) or two linked statements (the income statement and the statement of comprehensive income). The branch has elected to present this statement as one single statement.

  Under the revised FRS 1, where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning of the comparative period. There is no restatement of the balance sheet as at 1 October 2008 in the current financial year.

- Amendment to FRS 107 Financial Instruments: Disclosures – *Improving disclosures about financial instruments* (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment introduces a three-level hierarchy for fair value measurement disclosures and requires the branch to provide disclosure about the reliability of fair value measurements. The adoption of the amendment results in additional disclosures, where applicable, but does not have any impact on the accounting policies and measurement bases adopted by the branch.

Other than changes to the financial statements presentation and disclosures as explained above, the adoption of the new/revised FRSs did not have any material effect on the branch’s financial statements and did not result in substantial changes to the branch’s accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Estimates and Judgments

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

(A) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation on Property, Plant and Equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in note 2(d). Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in note 10 to the financial statements.

(B) Critical judgments made in applying accounting policies

In the process of applying the company's accounting policies, there are no significant items in the financial statements which require the exercise of critical judgment on the part of the management.

(c) FRS and INT FRS not yet effective

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

(d) Property, Plant and Equipment

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, Plant and Equipment (continued)

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

Renovation	33.33%
Computer equipment	33.33%
Office equipment	20%
Furniture and fittings	10%

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

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

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

(e) Other Receivables

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

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

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

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and fixed deposits which are subject to an insignificant risk of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

(g) Other Payables

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition, in the functional currency (Singapore dollars) by applying to the foreign currency amounts the rates of exchange prevailing on the transaction dates. Recorded monetary balances that are denominated in foreign currencies as at balance sheet date are translated at the rates ruling on that date. Profit or loss on foreign currency translation are included in profit or loss. Non-monetary assets and liabilities that are measured in historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(i) Revenue Recognition

Donations are recognised on cash basis.

Interest income is recognised on a time proportion basis, using the effective interest method, unless collectability is in doubt.

(j) Gifts-in-Kind (" G IK")

Gifts-in-kind received through private donations are recorded in accordance with industry standards, referred to as the interagency GIK standards, as developed by an interagency taskforce appointed by the Association of Evangelical Relief and Development Organisations ("AERDO"). Gifts-in-kind are valued and recorded as revenue at their estimated fair values as provided by the donors or, in the absence of donors' valuations, estimated by the branch at wholesale values considering their condition and utility for use at the time the goods are received from the donor. The recognition of gifts-in-kind revenue is limited to donations where the branch takes possession or constructive title of the gift-in-kind and the branch is the original recipient of the gift, is involved in partnership with the end-user agency, or uses the gift within World Vision Inc. or World Vision International programs.

Gifts-in-kind expense is recorded when the goods are distributed for program use. While it is the branch's policy to distribute gifts-in-kind as promptly as possible, undistributed gifts-in-kind are recorded as inventory. The inventory is valued at wholesale values estimated by the branch's management, which approximates the lower of cost and net realisable value.

(k) Employee Benefits

(i) Defined Contribution Plans

The branch makes contributions to the state provident fund and foreign pension fund. Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of Non-Financial Assets

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

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

(m) Provisions

Provisions are recognised when the branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(n) Leases

Operating Leases

Leases whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

When the branch is the lessor, assets leased out under operating leases are included in property, plant and equipment. Income arising from such operating lease is recognised on a straight line basis over the lease term.

When the branch is the lessee, operating lease payments are recognised as an expense on a straight line basis over the lease term.

3. PRINCIPAL ACTIVITIES

The principal activities of the branch consist of:

(a) Support Office

The support office provides administrative support for World Vision projects, promotion and publicity of its work to the public in Singapore, maintaining its relationship with the Christian church and servicing supporters of its work around the world;

3. DONATIONS RECEIVED

The breakdown of the donations received by the branch are as follows:

	Support Office	
	2010	2009
	$	$
ADP income - gift catalogue	653,325	967,133
Child sponsorship	7,634,619	6,692,008
Community development	638,420	759,490
General childcare	441,074	447,409
Gifts-in-kind (cash)	42,290	78,499
Ministry - Christian commitment	-	50,000
One life fund	91,945	64,580
Relief and rehabilitation	1,633,267	674,947
Sponsorship to events:		
- private cash	89,337	88,682
- grants	-	595
Vision fund	144,942	47,170
Cash donations received	11,369,219	9,870,513
Gifts-in-kind (donated goods value)	136,006	849,816
	11,505,225	10,720,329

4. OTHER INCOME

Included in other income are the following items:

	2010		
	Support Office	Total	2009
	$	$	$
Interest income	1,797	3,533	4,965
Jobs credit	32,217	45,954	54,723

5. PROGRAMS' EXPENDITURE

	2010 Support Office	2009
	$	$
GIK expenses	100,278	20,540
Local ministry programs' expenditures	-	58,113
Refund of local ministry programs' expenditures disbursed in prior year	(7,713)	-
	92,565	78,653

6. ADMINISTRATIVE EXPENSES

Included in administrative expenses are the following items:

	2010 Support Office	2009
	$	$
Depreciation on property, plant and equipment	38,297	35,902
Employee benefits expense:		
- wages and salaries	1,145,547	1,054,980
- employer's contributions to central provident fund	139,810	125,526
- foreign pension funds	-	-
- staff benefits	705	-
Exchange loss	1,068	-
Loss on disposal of property, plant and equipment	-	10,194
Operating lease expense	172,186	156,783

7. INCOME TAX EXPENSE

	2010 Support Office	2009
	$	$
Over-provision in prior years	-	(5,378)

The branch is exempted from income tax under Section 13(1) (zm) of the Income Tax Act, Cap. 134 with effect from YA2008. No provision for income tax is required to be made in the financial statements.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Support Office

Cost						
At 1 October 2008	27,245	-	128,311	23,493	21,007	200,056
Additions	-	-	33,662	-	-	33,662
Disposal	(27,245)	-	(2,947)	(6,504)	(17,945)	(54,641)
At 30 September 2009 and 1 October 2009	-	-	159,026	16,989	3,062	179,077
Additions	-	-	5,000	7,078	-	12,078
Disposal	-	-	(12,281)	(760)	-	(13,041)
At 30 September 2010	-	-	151,745	23,307	3,062	178,114
Accumulated depreciation						
At 1 October 2008	27,245	-	64,399	16,708	10,699	119,051
Charge for the year	-	-	33,559	1,588	755	35,902
Disposal	(27,245)	-	(2,947)	(4,317)	(9,638)	(44,147)
At 30 September 2009 and 1 October 2009	-	-	95,011	13,979	1,816	110,806
Charge for the year	-	-	35,536	2,542	219	38,297
Disposal	-	-	(12,281)	(760)	-	(13,041)
At 30 September 2010	-	-	118,266	15,761	2,035	136,062
Carrying amount						
At 30 September 2010	-	-	33,479	7,546	1,027	42,052
At 30 September 2009	-	-	64,015	3,010	1,246	68,271

10. RECEIVABLES

	2010 Support Office	2009
	$	$
Deposits	89,739	2,100
Prepayments	11,970	11,342
Staff loans and advances	7,368	-
Other receivables	5,385	52,648
	114,462	66,090
Receivables classified as:		
- current assets	114,462	66,090
- non-current assets	-	-
	114,462	66,090

Deposits, staff loans and advances and other receivables are unsecured, interest-free and expected to be repayable on demand.

Included in deposits (under Support office) is an amount of $89,639 (2009: Nil) representing downpayment for the development and implementation of a globally integrated management system, iVision [note 15(a)].

10. RECEIVABLES (continued)

Receivables are denominated in the following currencies:

	2010 Support Office	2009
	$	$
Singapore dollars	114,462	66,090
United States dollars	-	-
	114,462	66,090

11. FIXED DEPOSITS WITH BANK

	2010 Support Office	2009
	$	$
Fixed deposits maturing:		
- within 1 year	11,128	11,122
- after 1 year	-	-
	11,128	185,305

The fixed deposits have maturity terms ranging from 3 weeks to 13 months (2009: 3 weeks to 1 year) from the balance sheet date, and bear interest at rates ranging from 0.37% to 0.60% (2009: 0.6% to 1.2%) per annum.

12. CHRISTIAN MINISTRY FUND

The Christian Ministry Fund was set up to support suitable candidates undergoing theological training in Singapore.

	Support Office	
	2010	2009
	$	$
Balance at beginning of the year	55,578	79,223
Less: Expenses	(33,976)	(23,645)
Balance at end of financial year	21,602	55,578

13. OTHER PAYABLES

	2010 Support Office	2009
	$	$
Non-trade payables	3,419	540
Accruals	191,236	190,564
	194,655	191,104

Other payables are unsecured, non-interest bearing and are normally settled within 90 days or on demand.

Other payables are denominated in the following currencies:

	2010 Support Office	2009
	$	$
Singapore dollars	194,655	191,104
		-

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the cash flow statement comprise the following balance sheet amounts:

	2010 Support Office	2009
	$	$
Fixed deposits with bank (Note 11)	11,128	11,122
Cash and bank balances	762,713	622,915
	773,841	634,037

14. CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalents, including non-current fixed deposits, are denominated in the following currencies:

	2010 Support Office	2009
	$	$
Singapore dollars	755,330	589,915
United States dollars	18,003	43,807
Other currencies	508	315
	773,841	634,037

15. COMMITMENTS

(a) Capital Commitment

As at the balance sheet date, the branch has capital commitments amounting to $335,846 (2009: Nil) in respect of contracted expenditure for a globally integrated management system, iVision, which has not been provided for in the financial statements.

(b) Operating Lease Commitment

As at the balance sheet date, the branch has the following commitments arising from non-cancellable operating leases where the branch is the lessee:

	2010 Support Office	2009
	$	$
Operating lease payments due:		
- within 1 year	108,675	148,938
- after 1 year but not later than 5 years	-	-
	108,675	148,938

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

16. RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the branch if the branch's management has the ability, directly or indirectly, to control the party or exercise influence over the party in making financial and operating decisions, or vice versa, or where the branch and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, the branch did not have any transactions with related parties.

16. RELATED PARTIES (continued)

Key management personnel compensation

Employee benefits paid to key management personnel employed by the branch are as follows:-

	2010	
	Support Office	2009
	$	$
Short-term employment benefits	126,000	121,500

The annual remuneration of the three highest paid staff employed by APHEA and Support Office respectively who each receives remuneration exceeding $100,000, classified in bands of $100,000, are as follows:

	2010	
	Support Office	2009
	$	$
Number of staff with annual remuneration		
- exceeding $200,000 but not more than $300,000	-	-
- exceeding $100,000 but not more than $200,000	1	1

17. FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

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

The branch's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash and cash equivalents), the branch minimises credit risk by dealing with high credit rating counterparties.

The management has credit policies in place to minimise exposure to credit risk.

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

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

17. FINANCIAL RISK MANAGEMENT (continued)

(ii) Liquidity risk

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

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

All financial liabilities of the branch are repayable on demand or mature within one year, as disclosed in note 13 to the financial statements.

(iii) Foreign exchange risk

The branch is primarily exposed to fluctuations in United States Dollars (USD) exchange rates arising from cash flows from anticipated transactions. The branch reviews periodically monetary assets and liabilities held in currencies other than its functional currency to ensure that net exposure is kept at an acceptable level.

The significant foreign currency amounts held by the branch other than their functional currency are as follows:

	2010	
Held in USD	Support Office	2009
	$	$
Other receivables	-	-
Cash and cash equivalents	18,003	43,807
Other payables	-	-
	18,003	(43,807)

Sensitivity analysis

A 10% strengthening of the Singapore Dollar against the following currency at the balance sheet date would increase/(decrease) the net surplus and head office account balance by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	2010	
	Support Office	2009
	$	$
United States Dollar	(1,637)	(3,982)

A 10% weakening of the Singapore Dollar against the above currency would have had the equal but opposite effects on the above currency to the amounts shown above, on the basis that all other variables remain constant.

17. FINANCIAL RISK MANAGEMENT (continued)

(iv) Interest rate risk

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

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

The interest rates and terms of maturity of financial assets of the branch are disclosed in note 11 to the financial statements.

18. FAIR VALUE OF FINANCIAL ASSETS AND LIABLILITIES

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

19. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the branch for the year ended 30 September 2010 were authorised for issue by the Local Agents on 21 February 2011.

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

Schedule of Expenditure for the year ended 30 September 2010

	2010	
	Support Office	2009
	$	$
Audit fee		
- current year	10,356	13,460
- (over)/under provision in prior year	-	(138)
Bank charges	65,931	59,133
Central provident fund contributions	139,810	179,826
Consultancy	5,674	90,734
Data processing	74,788	57,113
Depreciation on property, plant and equipment	38,297	48,864
Education/training	16,233	30,426
Exchange difference	1,068	7,649
Foreign pension funds	-	71,015
Hospitality and refreshments	6,906	8,531
Hosting	-	64,688
Internet	-	15,112
Legal and professional fees	2,062	20,489
Loss on disposal of property, plant and equipment	-	10,194
Mail handling cost	7,903	10,715
Medical expenses and insurance	15,253	91,412
Merchandise for sale	-	3,360
Ministry supply	-	21,024
Postages	56,916	77,852
Printing	91,411	79,702
Provision for unutilised leave	-	-
Publicity/advertising	186,993	155,908
Recruitment expenses	-	777
Relocation expenses	-	29,194
Rental expenses	172,186	327,728
Repatriation allowance	-	8,576
Salaries	1,145,547	2,537,430
Staff benefit	705	639,399
Stationery	2,575	14,237
Temporary help	3,224	-
Telephone and telex	5,247	59,571
Transport	6,034	37,908
Travelling expenses	57,617	389,585
Upkeep of office	3,675	6,926
Upkeep of office equipment	8,268	11,539
Utilities	16,343	36,672
	2,141,022	5,216,611