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# 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 ("the Branch"), state that, in our opinion, the financial statements set out on pages 6 to 25 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 2011, and the results, changes in head office account and cash flows of the Branch's operations in Singapore for the year then ended.



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Trihadi Saptoadi  
Local Agent



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James Quek  
Local Agent

Singapore, 15 March 2012

INDEPENDENT AUDITORS' REPORT PURSUANT TO  
SECTION 373 OF THE SINGAPORE COMPANIES ACT

**WORLD VISION INTERNATIONAL**

( Incorporated in U.S.A. )

**SINGAPORE OPERATIONS**

*Report on the Financial Statements*

We have audited the accompanying financial statements, set out on pages 6 to 25, of the Singapore Operations of World Vision International ("the Branch"), pursuant to section 373 of the Singapore Companies Act, Cap. 50 (the "Act"). These financial statements comprise the balance sheet (statement of financial position) as at 30 September 2011, 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 information.

The 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 therein.

*Management's Responsibility for the Financial Statements*

The Branch's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

*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 about whether the financial statements are free from material misstatement.

INDEPENDENT AUDITORS' REPORT PURSUANT TO  
SECTION 373 OF THE SINGAPORE COMPANIES ACT  
**WORLD VISION INTERNATIONAL**  
( Incorporated in U.S.A. )  
**SINGAPORE OPERATIONS**

*Auditors' Responsibility (continued)*

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 of 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 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.

*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 assets used in and liabilities arising out of the Branch's operations in Singapore as at 30 September 2011 and of the results, changes in head office account and cash flows of the Branch's operations in Singapore for the year ended on that date.

*Report on Other Legal and Regulatory Requirements*

In our opinion, 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.



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

Singapore, 15 March 2012

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

### Statement of Comprehensive Income for the year ended 30 September 2011

		2011	
	<u>Notes</u>	<u>Support Office</u>	<u>2010</u>
		\$	\$
Donations received	4	13,324,594	11,505,225
Other income	5	2,927	34,014
Donations remitted to World Vision International for:			
- International ministry		( 9,262,666 )	( 8,936,817 )
- Microfinance		( 184,500 )	( 210,638 )
Programs' expenditures	6	( <u>121,250</u> )	( <u>92,565</u> )
		3,759,105	2,299,219
Administrative expenses	7	( <u>2,491,595</u> )	( <u>2,141,022</u> )
(Deficit)/surplus before tax		1,267,510	158,197
Income tax expense	8	<u>-</u>	<u>-</u>
Net (deficit)/surplus for the year		<u>1,267,510</u>	<u>158,197</u>
<u>Other comprehensive income:</u>			
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income		<u>1,267,510</u>	<u>158,197</u>

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 2011

		2011	
	<u>Notes</u>	<u>Support Office</u>	<u>2010</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	9	<u>441,209</u>	<u>42,052</u>
Total Non-Current Assets		<u>441,209</u>	<u>42,052</u>
<u>Current Assets</u>			
Receivables	10	32,466	114,462
Fixed deposits with bank	11	11,134	11,128
Cash and bank balances		<u>1,825,658</u>	<u>762,713</u>
Total Current Assets		<u>1,869,258</u>	<u>888,303</u>
Total Assets		<u>2,310,467</u>	<u>930,355</u>
<u>FUNDS AND LIABILITIES</u>			
<u>Funds</u>			
Head Office Account		1,996,310	714,098
Christian Ministry Fund	12	<u>-</u>	<u>21,602</u>
Total Funds		<u>1,996,310</u>	<u>735,700</u>
<u>Current Liabilities</u>			
Other payables	13	<u>314,157</u>	<u>194,655</u>
Total Current Liabilities		<u>314,157</u>	<u>194,655</u>
Total Funds and Liabilities		<u>2,310,467</u>	<u>930,355</u>

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 2011

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	Support <u>Office</u>
	\$
Balance as at 30 September 2009	555,901
Total comprehensive income for the year	<u>158,197</u>
Balance as at 30 September 2010	714,098
Total comprehensive income for the year	1,267,510
Transfer from Christian Ministry Fund (note 12)	<u>14,702</u>
Balance as at 30 September 2011	<u><u>1,996,310</u></u>

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 2011

		2011	
	<u>Notes</u>	<u>Support Office</u>	<u>2010</u>
		\$	\$
<b>CASH FLOW FROM</b>			
<b><u>OPERATING ACTIVITIES</u></b>			
(Deficit)/surplus before tax		1,267,510	158,197
Adjustments for:			
Depreciation on property, plant and equipment	9	64,214	38,297
Exchange difference		300	3,035
Interest income		( 1,328 )	( 1,797 )
Operating (deficit)/surplus before working capital changes		1,330,696	197,732
Decrease in inventories		-	34,185
(Increase)/decrease in receivables		81,996	( 48,372 )
Increase in payables		119,502	3,551
Cash (used in)/generated from operations		1,532,194	187,096
Interest received		1,328	1,797
Net cash (used in)/from operating activities		1,533,522	188,893
<b>CASH FLOWS FROM</b>			
<b><u>INVESTING ACTIVITIES</u></b>			
Decrease/(increase) in fixed deposits with maturity over 3 months	11	-	-
Purchase of property, plant and equipment	9	( 463,371 )	( 12,078 )
Net cash used in investing activities		( 463,371 )	( 12,078 )
<b>CASH FLOWS FROM</b>			
<b><u>FINANCING ACTIVITIES</u></b>			
Christian Ministry Fund utilised		( 6,900 )	( 33,976 )
Net cash used in financing activities		( 6,900 )	( 33,976 )
Net increase in cash and cash equivalents		1,063,251	142,839
Effect of exchange rate changes on cash and cash equivalents		( 300 )	( 3,035 )
Cash and cash equivalents at beginning of the year		773,841	634,037
Cash and cash equivalents at end of the year	14	1,836,792	773,841

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



# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

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### NOTES TO THE FINANCIAL STATEMENTS – 30 September 2011

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 support office is located at 10 Tannery Lane #06-01/02 BBS Building, Singapore 347773.

#### 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 2010. The adoption of these 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.

##### (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.

##### *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 9 to the financial statements.

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Significant Accounting Estimates and Judgments (continued)

##### *(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.

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:

Computer equipment	8.33% - 33.33%
Office equipment	20% - 33.33%
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 derecognized 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 derecognized.

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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 with maturity period of not more than 3 months and 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.

#### (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 upon receipt.

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

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Gifts-in-Kind (“GIK”)

Gifts-in-kind received through private donations are recorded in accordance with industry standards, referred to as the inter-agency GIK standards, as developed by an inter-agency 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 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. Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

##### (ii) Short-term Compensated Absences

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

#### (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.

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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 are as follows:

#### (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;

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

### 4. DONATIONS RECEIVED

The breakdown of the donations received are as follows:

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Area Development Program income – gift catalogue	1,179,137	653,325
Child sponsorship	8,521,766	7,634,619
Community development	1,077,725	638,420
General childcare	418,994	441,074
Gifts-in-kind	8,585	178,296
Ministry - Christian commitment	100,000	-
One life fund	167,700	91,945
Relief and rehabilitation	1,602,908	1,633,267
Sponsorship to events	83,146	89,337
Vision fund	164,633	144,942
	<u>13,324,594</u>	<u>11,505,225</u>

### 5. OTHER INCOME

Included in other income are the following items:

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Interest income	1,328	1,797
Jobs credit	-	32,217
Exchange gain	1,599	-
	<u>2,927</u>	<u>34,014</u>

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

### 6. PROGRAMS' EXPENDITURES

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
GIK expenses	-	100,278
Local ministry programs' expenditures	121,250	-
Refund of local ministry programs' expenditures disbursed in prior year	<u>-</u>	<u>( 7,713 )</u>
	<u>121,250</u>	<u>92,565</u>

### 7. ADMINISTRATIVE EXPENSES

Included in administrative expenses are the following items:

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Depreciation on property, plant and equipment	64,214	38,297
Employee benefits expense:		
- wages and salaries	1,341,578	1,145,547
- employer's contributions to central provident fund	189,697	139,810
- staff benefits	38,579	705
Exchange loss	-	1,068
Operating lease expense	122,189	172,186

### 8. INCOME TAX EXPENSE

The Branch is exempted from income tax under Section 13(1) (zm) of the Income Tax Act, Cap. 134.

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

### 9. PROPERTY, PLANT AND EQUIPMENT

	<u>Computer equipment</u>	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Total</u>
	\$	\$	\$	\$
<b>(a) <u>Support Office</u></b>				
<u>Cost</u>				
At 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 and 1 October 2010	151,745	23,307	3,062	178,114
Additions	461,287	1,020	1,064	463,371
Disposal	( 18,916 )	( 199 )	-	( 19,115 )
At 30 September 2011	<u>594,116</u>	<u>24,128</u>	<u>4,126</u>	<u>622,370</u>
<u>Accumulated depreciation</u>				
At 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 and 1 October 2010	118,266	15,761	2,035	136,062
Charge for the year	61,693	2,249	272	64,214
Disposal	( 18,916 )	( 199 )	-	( 19,115 )
At 30 September 2011	<u>161,043</u>	<u>17,811</u>	<u>2,307</u>	<u>181,161</u>
<u>Carrying amount</u>				
At 30 September 2011	<u>433,073</u>	<u>6,317</u>	<u>1,819</u>	<u>441,209</u>
At 30 September 2010	<u>33,479</u>	<u>7,546</u>	<u>1,027</u>	<u>42,052</u>



# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

### 10. RECEIVABLES

	2011		
	<u>Support Office</u>		<u>2010</u>
	\$		\$
Deposits	600		89,739
Prepayments	14,531		11,970
Staff loans and advances	9,585		7,368
Other receivables	<u>7,750</u>		<u>5,385</u>
	<u>32,466</u>		<u>114,462</u>
Receivables classified as:			
- current assets	<u>32,466</u>		<u>114,462</u>
	<u>32,466</u>		<u>114,462</u>

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

Receivables are denominated in the following currencies:

	2011		
	<u>Support Office</u>		<u>2010</u>
	\$		\$
Singapore dollars	32,466		114,462

### 11. FIXED DEPOSITS WITH BANK

	2011		
	<u>Support Office</u>		<u>2010</u>
	\$		\$
Fixed deposits with maturity terms			
- within 3 months	11,134		11,128
- more than 3 months but less than 1 year	<u>-</u>		<u>-</u>
	11,134		11,128
- more than 1 year	<u>-</u>		<u>-</u>
	<u>11,134</u>		<u>11,128</u>

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

### 11. FIXED DEPOSITS WITH BANK (continued)

The fixed deposits bear interest at rates ranging from 0.60% to 1.25% (2010: 0.37% to 0.60%) per annum.

### 12. CHRISTIAN MINISTRY FUND

	<u>Support Office</u>	
	<u>2011</u>	<u>2010</u>
	\$	\$
Balance at beginning of the year	21,602	55,578
Less: Expenses	( 6,900 )	( 33,976 )
Transfer to Head Office Account	( 14,702 )	-
Balance at end of the year	<u>-</u>	<u>21,602</u>

The Christian Ministry Fund was a designated donation given to support a candidate undergoing theological training in Singapore. Upon the candidate's completion of his theological training, with the donor's consent, the unutilised balance in the Fund amounting to \$14,702 was transferred to Head Office Account.

### 13. OTHER PAYABLES

	<u>2011</u>		
	<u>Support Office</u>		<u>2010</u>
	\$		\$
Non-trade payables	5,753		3,419
Accruals	<u>308,404</u>		<u>191,236</u>
	<u>314,157</u>		<u>194,655</u>

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:

	<u>2011</u>		
	<u>Support Office</u>		<u>2010</u>
	\$		\$
Singapore dollars	314,157		194,655

# WORLD VISION INTERNATIONAL

( Incorporated in U.S.A. )

## SINGAPORE OPERATIONS

### 14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise the following:

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Fixed deposits with bank (note 11)	11,134	11,128
Cash and bank balances	<u>1,825,658</u>	<u>762,713</u>
	1,836,792	773,841
Less:		
Fixed deposit with maturity over 3 months (note 11)	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>1,836,792</u>	<u>773,841</u>

Cash and bank balances and fixed deposits are denominated in the following currencies:

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Singapore dollars	1,687,518	755,330
United States dollars	149,250	18,003
Other currencies	<u>24</u>	<u>508</u>
	<u>1,836,792</u>	<u>773,841</u>

### 15. OPERATING LEASE COMMITMENTS

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

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Operating lease payments due:		
- within 1 year	58,411	108,675
- after 1 year but not later than 5 years	<u>-</u>	<u>-</u>
	<u>58,411</u>	<u>108,675</u>

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.

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### 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.

Significant transactions with related parties, not otherwise disclosed in the financial statements, are as follows:-

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
<u>With a business unit of World Vision International</u>		
IT services	76,029	45,266

#### *Key management personnel compensation*

Key management personnel compensation for the year are as follows:-

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Short-term employee benefits	149,417	126,000

The annual remuneration of the three highest paid staff employed by Support Office, classified in bands of \$100,000, are as follows:

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
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
- less than \$100,000	2	2

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### 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.

(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 are as follows:

	2011	
	Support Office	<u>2010</u>
<u>Held in USD</u>	\$	\$
Cash and cash equivalents	149,250	18,003

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## SINGAPORE OPERATIONS

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### 17. FINANCIAL RISK MANAGEMENT (continued)

#### (iii) Foreign exchange risk (continued)

##### *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.

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
United States Dollars	( <u>13,568</u> )	( <u>1,637</u> )

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.

#### (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 LIABILITIES

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 2011 were authorised for issue by the Local Agents on 15 March 2012.

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## SINGAPORE OPERATIONS

### Schedule of Administrative Expenses for the year ended 30 September 2011

	2011	
	<u>Support Office</u>	<u>2010</u>
	\$	\$
Audit fee		
- current year	9,546	10,356
Bank charges	89,348	65,931
Central provident fund contributions	189,697	139,810
Consultancy	5,000	5,674
Depreciation on property, plant and equipment	64,214	38,297
Education/training	13,038	16,233
Exchange loss	-	1,068
Hospitality and refreshments	7,414	6,906
IT services	136,353	74,788
Legal and professional fees	5,316	2,062
Mail handling cost	12,172	7,903
Medical expenses and insurance	16,592	15,253
Postages	64,192	56,916
Printing	71,125	91,411
Provision for unutilised leave	32,335	-
Publicity/advertising	161,692	186,993
Rental expenses	128,915	172,186
Salaries	1,341,578	1,145,547
Software and accessories	3,301	-
Staff benefits	6,244	705
Stationery	3,288	2,575
Telephone and telex	4,115	5,247
Temporary help	25,848	3,224
Transport	9,507	6,034
Travelling expenses	59,450	57,617
Upkeep of office	4,923	3,675
Upkeep of office equipment	8,778	8,268
Utilities	17,614	16,343
	<u>2,491,595</u>	<u>2,141,022</u>