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WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

STATEMENT BY AGENTS

We, Trihadi Saptoadi and Foo Pek Hong, 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 2012, and the results, changes in head office account and cash flows of the Branch's operations in Singapore for the year then ended.

Trihadi Saptoadi
Local Agent

Foo Pek Hong
Local Agent

Singapore, 13 March 2013

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 of the Singapore Operations of World Vision International ("the Branch") set out on pages 6 to 25, 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 2012, 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.

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 2012 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, 13 March 2013

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

Statement of Comprehensive Income for the year ended 30 September 2012

	Notes	Support Office 2012	2011
		$	$
Donations received	4	13,754,854	13,324,594
Other income	5	9,230	2,927
Donations remitted to World Vision International for:			
- International ministry		(9,470,683)	(9,262,666)
- Microfinance		(581,270)	(184,500)
Programs' expenditures	6	(551,103)	(121,250)
		3,161,028	3,759,105
Administrative expenses	7	(2,911,153)	(2,491,595)
Surplus before tax		249,875	1,267,510
Income tax expense	8	-	-
Net surplus for the year		249,875	1,267,510
Other comprehensive income, net of tax		-	-
Total comprehensive income		249,875	1,267,510

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

WORLD VISION INTERNATIONAL

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Statement of Financial Position as at 30 September 2012

	Notes	Support Office 2012	2011
		$	$
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	579,412	441,209
Total Non-Current Assets		579,412	441,209
Current Assets			
Receivables	10	256,359	32,466
Fixed deposits with bank	12	11,138	11,134
Cash and bank balances	11	1,693,031	1,825,658
Total Current Assets		1,960,528	1,869,258
Total Assets		2,539,940	2,310,467
FUNDS AND LIABILITIES			
Funds			
Head Office Account		2,246,185	1,996,310
Total Funds		2,246,185	1,996,310
Current Liabilities			
Other payables	13	293,755	314,157
Total Current Liabilities		293,755	314,157
Total Funds and Liabilities		2,539,940	2,310,467

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 2012

	Support Office
	$
Balance as at 30 September 2010	714,098
Total comprehensive income for the year	1,267,510
Transfer from Christian Ministry Fund	14,702
Balance as at 30 September 2011	1,996,310
Total comprehensive income for the year	249,875
Balance as at 30 September 2012	2,246,185

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 2012

	Notes	Support Office 2012	2011
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus before tax		249,875	1,267,510
Adjustments for:			
Depreciation on property, plant and equipment	9	95,659	64,214
Property, plant and equipment written off		1,024	-
Exchange difference		-	300
Interest income		(378)	(1,328)
Operating surplus before working capital changes		346,180	1,330,696
Decrease/(increase) in receivables		(223,893)	81,996
(Decrease)/increase in payables		(20,402)	119,502
Increase in bank deposit with restricted use		-	-
Cash generated from operations		101,885	1,532,194
Interest received		378	1,328
Net cash from operating activities		102,263	1,533,522
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(234,886)	(463,371)
Net cash used in investing activities		(234,886)	(463,371)
CASH FLOWS FROM FINANCING ACTIVITIES			
Christian Ministry Fund utilised		-	(6,900)
Net cash used in financing activities		-	(6,900)
Net (decrease)/increase in cash and cash equivalents		(132,623)	1,063,251
Effect of exchange rate changes on cash and cash equivalents		-	(300)
Cash and cash equivalents at beginning of the year		1,836,792	773,841
Cash and cash equivalents at end of the year	14	1,704,169	1,836,792

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

NOTES TO THE FINANCIAL STATEMENTS – 30 September 2012

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, while the South Asia and Pacific Regional Office (SAPO) operates from an office at 750B Chai Chee Road, #03-02 Technopark @ Chai Chee Road, 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 2011. 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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%
Furniture and fittings	10%
Office improvements	33.33%

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Other Receivables (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Gifts-in-kind (continued)

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.

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases (continued)

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:

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;

4. DONATIONS RECEIVED

The breakdown of the donations received are as follows:

Support Office	2012	2011
	$	$
Area Development Program income – gift catalogue	1,248,562	1,179,137
Cash World Food Program grant income	40,295	-
Child sponsorship	9,642,983	8,521,766
Community development	739,832	1,077,725
General childcare	408,053	418,994
Gifts-in-kind (cash donations)	7,080	8,585
Ministry - Christian commitment	100,000	100,000
One life fund	134,869	167,700
Relief and rehabilitation	676,001	1,602,908
Sponsorship to events	5,983	83,146
Vision fund	326,193	164,633
Cash donations received	13,329,851	13,324,594
Gifts-in-kind (donated goods value)	425,003	-
	13,754,854	13,324,594

5. OTHER INCOME

Support Office	2012	2011
	$	$
Interest income	378	1,328
Exchange gain	-	1,599
Health Promotion Board Grant	5,535	-
Special Employment Credit	3,317	-
	9,230	2,927

6. PROGRAMS' EXPENDITURES

Support Office	2012	2011
	$	$
GIK expenses – World Food Programme	425,003	-
Local ministry programs' expenditures	126,100	121,250
	551,103	121,250

7. ADMINISTRATIVE EXPENSES

Included in administrative expenses are the following items:

Support Office	2012	2011
	$	$
Depreciation on property, plant and equipment	95,659	64,214
Property, plant and equipment written off	1,024	-
Employee benefits expense:		
- wages and salaries	1,504,143	1,341,578
- employer's contributions to central provident fund	214,004	189,697
- staff benefits	1,918	32,335
Exchange loss	1,261	-
Operating lease expense	186,847	122,189

8. INCOME TAX EXPENSE

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

9. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Office equipment	Furniture and fittings	Office improvements	Total
	$	$	$	$	$
Support Office					
Cost					
At 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 and 1 October 2011	594,116	24,128	4,126	-	622,370
Additions	86,683	14,121	56,650	77,432	234,886
Disposal	(17,730)	(2,140)	(103)	-	(19,973)
At 30 September 2012	663,069	36,109	60,673	77,432	837,283
Accumulated depreciation					
At 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 and 1 October 2011	161,043	17,811	2,307	-	181,161
Charge for the year	73,105	3,885	3,613	15,056	95,659
Disposal	(17,730)	(1,213)	(6)	-	(18,949)
At 30 September 2012	216,418	20,483	5,914	15,056	257,871
Carrying amount					
At 30 September 2012	446,651	15,626	54,759	62,376	579,412
At 30 September 2011	433,073	6,317	1,819	-	441,209

9. RECEIVABLES

Support Office	2012	2011
	$	$
Deposits	39,770	600
Prepayments	10,592	14,531
Staff loans and advances	-	9,585
Other receivables	205,997	7,750
	256,359	32,466
Receivables classified as:		
- current assets	256,359	32,466
	256,359	32,466

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:

Support Office	2012	2011
	$	$
Singapore dollars	256,359	32,466

10. CASH AND BANK BALANCES

Support Office

	2012	2011
	$	$
Cash and bank balances classified as:		
Current assets	1,693,031	1,825,658
Non-current assets	-	-
	1,693,031	1,825,658

11. CASH AND BANK BALANCES (continued)

Cash and bank balances are denominated in the following currencies:

Support Office	2012	2011
	$	$
Singapore dollars	1,635,650	1,676,384
United States dollars	57,358	149,250
Other currencies	23	24
	1,693,031	1,825,658

11. FIXED DEPOSITS WITH BANK

Support Office	2012	2011
	$	$
Fixed deposits with maturity terms		
- within 3 months	11,138	11,134
- more than 3 months but less than 1 year	-	-
	11,138	11,134

The fixed deposits bear interest at rates ranging from 0.075% to 1.2% (2011: 0.60% to 1.25%) per annum.

Fixed deposits are denominated in the following currencies:

Support Office	2012	2011
	$	$
Singapore dollars	11,138	11,134

12. OTHER PAYABLES

Support Office	2012	2011
	$	$
Non-trade payables	16,255	5,753
Accruals	277,500	308,404
	293,755	314,157

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:

	2012	2011
	$	$
Singapore dollars	293,755	314,157

13. CASH AND CASH EQUIVALENTS

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

Support Office	2012	2011
	$	$
Cash and bank balances held as current assets (note 11)	1,693,031	1,825,658
Fixed deposits with maturity terms within 3 months (note 12)	11,138	11,134
Cash and cash equivalents	1,704,169	1,836,792

14. 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:

Support Office	2012	2011
	$	$
Operating lease payments due:		
- within 1 year	163,553	58,411
- after 1 year but not later than 5 years	214,611	-
	378,164	58,411

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.

15. 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:-

Support Office	2012	2011
	$	$
With a business unit of World Vision International		
IT services	65,923	76,029

Key management personnel compensation

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

Support Office	2012	2011
	$	$
Short-term employee benefits	156,935	149,417

15. RELATED PARTIES (continued)

Key management personnel compensation (continued)

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

Support Office	2012	2011
	$	$
Number of staff with annual remuneration		
- exceeding $100,000 but not more than $200,000	2	1
- less than $100,000	1	2

16. 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.

17. FINANCIAL RISK MANAGEMENT (continued)

(ii) Liquidity risk (continued)

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:

Support Office	2012	2011
	$	$
Held in USD		
Cash, bank balances and fixed deposits	57,358	149,250
	57,358	149,250

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.

Support Office	2012	2011
	$	$
United States Dollars	(5,215)	(13,568)

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 12 to the financial statements.

17. 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.

18. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Branch for the year ended 30 September 2012 were authorised for issue by the Local Agents on 13 March 2013.

WORLD VISION INTERNATIONAL

(Incorporated in U.S.A.)

SINGAPORE OPERATIONS

Schedule of Administrative Expenses for the year ended 30 September 2012

Support Office	2012	2011
	$	$
Audit fee		
- current year	9,951	9,546
Bank charges	131,432	89,348
Central provident fund contributions	214,004	189,697
Consultancy	-	5,000
Depreciation on property, plant and equipment	95,659	64,214
Education/training	13,652	13,038
Exchange loss	1,261	-
General expenses	11,189	-
Hospitality and refreshments	7,518	7,414
Internet	14,674	12,215
IT hardware	2,897	1,954
IT services	88,290	120,837
IT software	5,073	4,648
Legal and professional fees	3,583	5,316
Mail handling cost	14,061	12,172
Medical expenses and insurance	19,497	16,592
Postages	82,813	64,192
Printing	74,701	71,125
Property, plant and equipment written off	1,024	-
Provision for unutilised leave	1,918	32,335
Publicity/advertising	222,037	161,692
Recruitment expenses	8,570	-
Rental expenses	188,307	128,915
Salaries	1,504,143	1,341,578
Staff relations	7,139	6,244
Stationery	3,295	3,288
Telephone and telex	5,384	4,115
Temporary help	41,549	25,848
Transport	9,564	9,507
Travelling expenses	81,697	59,450
Upkeep of office	7,054	4,923
Upkeep of office equipment	6,311	8,778
Utilities	32,906	17,614
	2,911,153	2,491,595