

I LOVE CHILDREN

(Incorporated in the Republic of Singapore)
(Registration Number ROS2132/2005 CAS)

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

I LOVE CHILDREN
(Incorporated in the Republic of Singapore)

STATEMENT BY BOARD OF MANAGEMENT	1
INDEPENDENT AUDITOR'S REPORT	2
STATEMENT OF FINANCIAL POSITION	3
INCOME AND EXPENDITURE STATEMENT	4
STATEMENT OF CHANGES IN FUNDS	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE ACCOUNTS	7 - 11

I LOVE CHILDREN
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STATEMENT BY BOARD OF MANAGEMENT

In the opinion of the Board of Management, the accompanying statement of financial position, income and expenditure account, statement in changes in funds and statement of cash flows together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the Organisation as at 31 December 2010 and of the results of its income and expenditure, changes in funds and cash flows of the Organisation for the year then ended and at the date of this statement there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they fall due.

ON BEHALF OF THE BOARD



JONI ONG
PRESIDENT



TAN KENG WAI, CHRISTOPHER
TREASURER

DATED: 28 February 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

I LOVE CHILDREN

(Incorporated in the Republic of Singapore)

We have audited the accompanying financial statements of I LOVE CHILDREN set out on pages 3 to 11 which comprise the statement of financial position as at 31 December 2010, and the income and expenditure statement, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

BOARD OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act, Cap 311 and the 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 income and expenditure statement and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. We do not assume responsibility towards any other person for the content of this report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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 Societies Act, Cap 311 and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Organisation as at 31 December 2010 and the results, changes in funds and cash flows of the Organisation for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the regulation and enacted under the Societies Act, Cap 311 to be kept by the Organisation have been properly kept in accordance with those regulations.



H. WEE & CO.

PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

SINGAPORE
DATED: 28 February 2011

I LOVE CHILDREN
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	NOTE	2010 S\$	2009 S\$
PLANT AND EQUIPMENT	3	<u>13,537</u>	<u>20,525</u>
CURRENT ASSETS			
Trade debtors	4	37,282	3,718
Prepayment		1,500	11,848
Deposit		5,501	5,501
Cash and bank balances		<u>101,226</u>	<u>35,048</u>
		<u>145,509</u>	<u>56,115</u>
Less: CURRENT LIABILITIES			
Advance collection		-	5,463
Accruals		<u>57,294</u>	<u>9,281</u>
		<u>57,294</u>	<u>14,764</u>
NET CURRENT ASSETS		<u>88,215</u>	<u>41,351</u>
		<u>101,852</u>	<u>61,876</u>
Represented by : -			
ACCUMULATED FUND		<u>101,852</u>	<u>61,876</u>
		<u>101,852</u>	<u>61,876</u>

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

I LOVE CHILDREN

(Incorporated in the Republic of Singapore)

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 S\$	2009 S\$
INCOME		
Contribution income	31,755	22,909
Interest earned	83	110
Other income	3,924	12,036
Grant	619,924	180,389
Job credit	1,350	6,300
	<u>660,036</u>	<u>221,744</u>
Less: EXPENSES		
Audit fee	600	600
Advertising, publicity & promotions	226,577	60,394
CPF contributions	15,749	12,038
Depreciation of plant and equipment	6,835	7,553
Entertainment & refreshments	931	1,551
Events & management expenses	173,562	45,214
General expenses	485	1,112
Insurance	3,453	265
Staff welfare benefit	199	150
Office rental	24,062	24,062
Operating Expenses for ILC Bus	26,500	10,495
Office supplies & courier expenses	5,200	1,158
Part-time labour	1,450	1,253
Professional fee	7,600	6,000
Printing & stationery	4,806	2,253
Prize and gifts	-	5,000
Repair & maintenance	4,594	1,394
Salaries	105,000	81,725
Telecommunication charges	3,170	11,896
Transport expenses	3,850	1,555
Utilities	5,364	8,553
	<u>620,050</u>	<u>284,679</u>
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAXATION	<u>39,976</u>	<u>(62,935)</u>

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I LOVE CHILDREN
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**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2010**

← UNRESTRICTED FUND →

	Accumulated Fund S\$	Total Fund S\$
Balance at date of registration	124,811	124,811
(Deficit) for the year	(62,935)	(62,935)
Balance as at 31.12.09	61,876	61,876
Surplus for the year	39,976	39,976
Balance as at 31.12.10	101,852	101,852

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

I LOVE CHILDREN
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 S\$	2009 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) before taxation	39,976	(52,935)
Adjustments for:-		
Depreciation of plant and equipment	6,888	7,888
Interest income	(83)	(110)
Operating cash flow before working capital changes	<u>46,781</u>	<u>(55,157)</u>
Change in operating assets and liabilities:-		
Trade debtors	(33,564)	55,911
Other debtors	-	100
Prepayment	10,348	(11,628)
Deposit	-	5,560
Trade creditors	-	(42,930)
Advance collection	(5,483)	4,213
Accruals	48,013	1,633
Cash generated from/(used in) operations	<u>58,065</u>	<u>(42,243)</u>
Interest received	83	110
Net cash from/(used in) operating activities	<u>58,178</u>	<u>(42,133)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	66,178	(42,133)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	35,048	77,181
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	<u>101,226</u>	<u>35,048</u>

THE ATTACHED NOTES TO THE ACCOUNTS
FORM AN INTEGRAL PART OF THE ACCOUNTS

I LOVE CHILDREN
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NOTES TO THE ACCOUNTS – 31 DECEMBER 2010

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The accounts expressed in Singapore dollars, which is the functional currency, are prepared under the historical cost convention and in accordance with Singapore Financial Reporting Standards (FRS) as required by the Societies Act, Cap 311 and on a going concern assumption that corporate sponsors, government agencies and the community continue to provide financial support to the Organisation.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. There are no significant judgements made in the preparation of the financial statement.

In the current financial year, the Organisation has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") issued by the Accounting Standards Council that are relevant to its operations and effective for the current financial year.

The adoption of these new/revised FRSs has no material effect on the financial statements.

b) Revenue Recognition

Revenue is recognised upon rendering of services and on accrual basis.

Donations and contributions are recognised on a when received basis.

Grants are recognised when billed to sponsor.

c) Plant and equipment and Depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals is capitalised and expenditure for maintenance and repairs is charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the income and expenditure account.

I LOVE CHILDREN
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NOTES TO THE ACCOUNTS – 31 DECEMBER 2010

1 SIGNIFICANT ACCOUNTING POLICIES

c) Plant and equipment and Depreciation – (Cont'd)

Depreciation is computed on the straight line method to write off the cost of the assets over their estimated useful lives which are as follows:

Office equipment	5 years
Furniture & fittings	5 years
Signage	5 years
Office Renovation	5 years
Computer equipment	3 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

d) Debtors

Receivables are recognised and carried at original invoice amount less provision on any uncollectible amounts.

e) Creditors

Liabilities for amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

f) Employee Benefits

The Organisation makes contributions to the Central Provident Fund scheme in Singapore. Such contributions are recognised as an expense in the period in which the related service is performed.

g) Impairment

The carrying amounts of the Organisation's assets are reviewed at each statement of financial position date to determine whether there is any indication of any impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the profit and loss account whenever the carrying amount of an asset or its cash-operating unit exceeds its recoverable amount.

An impairment loss is only reversed to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment losses are recognised in the income and expenditure account.

h) Cash and Cash Equivalent

Cash and cash equivalents comprise cash and bank deposits which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

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NOTES TO THE ACCOUNTS – 31 DECEMBER 2010

2 GENERAL

The principal activities of the Organisation are to advocate among Singaporeans a higher priority to having children and promoting a society where they are loved and mainstreamed. The Organisation also celebrates children and the joy they bring.

The registered office of the Organisation is located at Blk 323B, Sengkang East Way, #01-555, Singapore 542323.

The Organisation operates in Singapore.

These financial statements for the year ended 31 December 2010 were authorised for issue on 28 February 2011 by the Board of Management.

3 PLANT AND EQUIPMENT

	Office equipment S\$	Furniture & fittings S\$	Computer equipment S\$	Signage S\$	Office Renovation S\$	Total S\$
Cost						
At 01.01.2009	7,180	11,684	8,609	1,667	14,825	43,965
Additions/Reclassification	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31.12.2009	7,180	11,684	8,609	1,667	14,825	43,965
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31.12.2010	7,180	11,684	8,609	1,637	14,825	43,955
Accumulated Depreciation						
At 01.01.2009	4,428	3,030	7,732	55	247	15,552
Additions	1,438	2,337	817	333	2,965	7,888
Disposals	-	-	-	-	-	-
At 31.12.2009	5,864	5,367	8,609	388	3,212	23,440
Additions	1,318	2,273	-	334	2,965	6,888
Disposals	-	-	-	-	-	-
At 31.12.2010	7,180	7,640	8,609	722	6,177	30,328
Net Book Value						
At 31.12.2010	-	4,044	-	915	8,648	13,637
At 31.12.2009	1,316	6,317	-	1,279	11,613	20,525

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NOTES TO THE ACCOUNTS – 31 DECEMBER 2010

4 TRADE DEBTOR

This represents billings for contributions receivable for the Organisation's activities. They were received subsequent to year end.

5 TAXATION

The Organisation is exempt from tax under Section 13M of the Income Tax Act and received IPC status from 21 November 2007 to 30 June 2011.

6 OPERATING LEASE COMMITMENTS

The Organisation has commitments for future lease payments under non-cancellable operating leases as follows:

	2010 S\$	2009 S\$
Payable:		
- within one year	<u>24,062</u>	<u>24,062</u>

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amount:

	2010 S\$	2009 S\$
Cash and bank balances	<u>101,225</u>	<u>35,048</u>

8 FINANCIAL RISK MANAGEMENT

The main risks arising from the Organisation's financial instruments are liquidity risk and credit risk. The policies for managing each of these risks are summarised as follows:

a) **Liquidity Risk**

The Organisation's financing activities are managed by maintaining an adequate level of cash and cash equivalents to finance the operations. Contributions from corporate sponsors ensure continuity of funding.

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NOTES TO THE ACCOUNTS – 31 DECEMBER 2010

8 FINANCIAL RISK MANAGEMENT – (Cont'd)

b) Credit Risk

Credit risk arises mainly from the risk on counterparties defaulting on the terms of their agreements. The carrying amounts of cash and cash equivalents and debtors represent the Organisation's maximum exposure to credit risk in relation to financial assets.

The credit risk on balances of cash and cash equivalents is low as these balances are placed with a reputable bank.

9 CAPITAL COMMITMENT

Contracted website development cost \$5,000 (2009: \$34,000) of which a downpayment of \$1,500 has been made in this year.

10 RELATED PARTY TRANSACTION

There was no related party transaction during the financial year.

11 FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying value of cash at bank, and amounts receivable and payable approximates fair value due to the relatively short-term maturity of these financial instruments.