

YELLOW RIBBON FUND

Unique Entity Number: T04CC1808H

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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LO HOCK LING & CO.

Certified Public Accountants

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INDEPENDENT MEMBER OF

POLARIS™

INTERNATIONAL

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YELLOW RIBBON FUND

1. CHARITY REGISTRATION NUMBER

01808

2. INSTITUTION OF A PUBLIC CHARACTER (IPC)

IPC 000045

3. UNIQUE ENTITY NUMBER (UEN)

T04CC1808H

4. REGISTERED ADDRESS

407 Upper Changi Road North, 20km (Within Prison HQ Complex, Blk B) Singapore 507658.

5. BOARD MEMBERS

<u>Name</u>	<u>Designation</u>
Mr Phillip Tan	Chairman
Ms Leonie Tan	Secretary
Ms Tina Saw	Treasurer
Mr Leow Tze Wen	Board Member
Mr Paul Ling Chong Boon	Board Member
Mr Eddy Chong	Board Member
Ms Rebekah Lin	Board Member
Ms Ivy Choo	Board Member
Mr Jimmy Lee	Board Member
Mr James Lye	Board Member
Mr Bernard Peh	Board Member

6. BANKERS

DBS Bank Ltd
Standard Chartered Bank

7. AUDITORS


Lo Hock Ling & Co.


YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

STATEMENT BY THE YELLOW RIBBON FUND COMMITTEE

In our opinion, the accompanying financial statements set out of pages 7 to 16 which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, 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 information, are drawn up so as to give a true and fair view of the state of affairs of Yellow Ribbon Fund (the "Fund") as at 31 December 2010 and the results, changes in funds, and cash flows of the Fund for the year ended on that date.

 X
Mr Phillip Tan
Chairman

 X
Ms Tina Saw
Treasurer

Singapore, 18 May 2011

INDEPENDENT AUDITORS' REPORT TO THE COMMITTEE OF
YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

Report on the Financial Statements

We have audited the accompanying financial statements of the Yellow Ribbon Fund (the "Fund") set out on pages 7 to 16, which comprise the balance sheet (statement of financial position) as at 31 December 2010, and the statement of comprehensive income, 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 information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

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 entity'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 entity'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 TO THE COMMITTEE OF
YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

(continued)

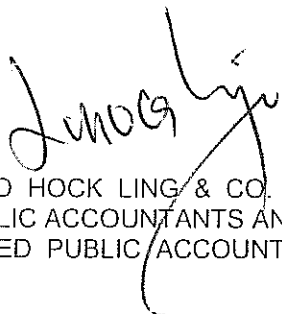
Opinion

In our opinion, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Fund as at 31 December 2010 and the results, changes in funds and cash flows of the Fund 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 regulations enacted under the Charities Act, Cap. 37 to be kept by the Fund have been properly kept in accordance with those regulations.

Singapore, 18 May 2011


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

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

Statement of Comprehensive Income for the year ended 31 December 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>Income</u>			
Donations received		398,146	962,463
Events income		553,615	793,018
Sale of items		<u>13,885</u>	<u>3,441</u>
		965,646	1,758,922
<u>Expenditure</u>			
Audit fees		5,798	4,844
Bank charges		152	90
Contribution to agencies		3,000	-
Charity Golf expenses		65,897	-
Dining Behind Bars		14,846	19,362
Donation tins		835	7,840
Employee benefits	4	35,940	37,948
Financial assistance for education programme	13	55,389	6,800
Gala Dinner expenses		-	100,995
General & miscellaneous expenses		8,428	2,951
Gift and wishes expenses		1,301	-
Inmates graduation ceremony expenses		2,140	-
Insurance expenses		1,505	321
Printing & stationery		1,213	6,869
Processing fees		-	253
Production of Yellow Ribbon Pack		33,551	51,714
Rental of equipment		-	1,100
Supplies & material costs		1,972	2,074
Token of appreciation		-	1,300
Transport		1,113	470
Production of corporate video		-	15,600
Other events expenses		2,000	14,825
Volunteer expenses		1,848	1,049
YRP 2009 expenses		<u>-</u>	<u>3,000</u>
		<u>236,928</u>	<u>279,405</u>
Operating surplus for the year		728,718	1,479,517
Add/(less): Other income/(expenditure)			
Disbursement of funds	5	(601,306)	(467,302)
Interest income		<u>11,766</u>	<u>4,446</u>
		(589,540)	(462,856)
Surplus for the year		<u>139,178</u>	<u>1,016,661</u>
<u>Other comprehensive income</u>			
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>139,178</u>	<u>1,016,661</u>

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

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

Statement of Financial Position as at 31 December 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>ASSETS</u>			
<u>Current Assets</u>			
Other receivables	6	12,593	353,180
Fixed deposits with bank	7	2,050,000	1,900,000
Cash and bank balances		<u>1,296,544</u>	<u>1,037,811</u>
Total Assets		<u>3,359,137</u>	<u>3,290,991</u>
<u>FUNDS AND LIABILITIES</u>			
<u>Funds</u>			
Bursary fund	8	32,295	-
Culinary Training Programme fund	9	-	-
Education Programme fund	10	-	30,000
Emergency fund	11	-	-
YRF - SCORE Skills Training and Employment Support fund	12	-	30,500
General fund	13	<u>3,308,055</u>	<u>3,210,985</u>
Total Funds		<u>3,340,350</u>	<u>3,271,485</u>
<u>Current Liabilities</u>			
Other payables	14	<u>18,787</u>	<u>19,506</u>
Total Funds and Liabilities		<u>3,359,137</u>	<u>3,290,991</u>

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

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

Statement of Changes in Funds for the year ended 31 December 2010

	Bursary Fund	Culinary Training Programme Fund	Education Programme Fund	Emergency Fund	Training and Employment Support Fund	YRF - SCORE Skills	General Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 31 December 2008	-	-	-	33,905	-	-	2,217,509	2,251,414
Transfer of funds	-	-	-	23,185	-	-	(23,185)	-
Funds received	-	-	60,000	-	100,500	-	-	160,500
Funds utilised	-	-	(30,000)	(57,090)	(70,000)	-	-	(157,090)
Total comprehensive income for the year	-	-	-	-	-	-	1,016,661	1,016,661
Balance as at 31 December 2009	-	-	30,000	-	30,500	-	3,210,985	3,271,485
Transfer of funds	-	-	-	42,108	-	-	(42,108)	-
Funds received	43,600	66,000	-	-	-	-	-	109,600
Funds utilised	(11,305)	(66,000)	(30,000)	(42,108)	(30,500)	-	-	(179,913)
Total comprehensive income for the year	-	-	-	-	-	-	139,178	139,178
Balance as at 31 December 2010	32,295	-	-	-	-	-	3,308,055	3,340,350

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

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

Statement of Cash Flows for the year ended 31 December 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Surplus for the year		139,178	1,016,661
Adjustment for:			
Interest income		(11,766)	(4,446)
Operating surplus before working changes		127,412	1,012,215
Decrease/(increase) in receivables		340,453	(217,860)
Increase in fixed deposits with maturity over 3 months		(550,000)	(950,000)
Decrease in payables		(719)	(24,266)
Net cash used in operating activities		(82,854)	(179,911)
<u>CASH FLOWS FROM INVESTING ACTIVITY</u>			
Interest received		11,900	2,366
Net cash from investing activity		11,900	2,366
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Funds received		109,600	160,500
Funds utilised		(179,913)	(157,090)
Net cash (used in)/from financing activities		(70,313)	3,410
Net increase/(decrease) in cash and cash equivalents		(141,267)	(174,135)
Cash and cash equivalents at beginning of the year		1,987,811	2,161,946
Cash and cash equivalents at end of the year	16	1,846,544	1,987,811

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

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2010

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

1. GENERAL INFORMATION

The Yellow Ribbon Fund (the "Fund") is a charitable fund registered under the Charities Act, Chapter 37. It is also an Institution of Public Character ("IPC") under the National Council of Social Service.

Its registered office is located at 407 Upper Changi Road North, 20km (Within Prison HQ Complex, Blk B) Singapore 507658.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Fund 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.

During the financial year, the Fund adopted all the applicable new/revised FRSs which are effective on or before 1 January 2010. The adoption of these new/revised FRSs did not have any material effect on the Fund's financial statements and did not result in substantial changes to the Fund'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 Fund'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*

At the balance sheet date, there were no key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(B) *Critical judgments made in applying accounting policies*

In the process of applying the Fund's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Fund accrues for income from fund raising events on an accrual basis. The management will accrue for the income based on its assessment on whether the income will be fully recoverable.

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FRS and INT FRS not yet effective

The Fund 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 management does not anticipate the adoption of the new FRS and INT FRS in future financial periods to have any material impact on the Fund's financial statements in the period of initial application.

(d) 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 Fund 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.

(e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash with banks, including fixed deposits that are subject to an insignificant risk of changes in value.

Cash on hand and at bank and short-term deposits which are held to maturity are carried at cost.

(f) Other Payables

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

(g) Revenue Recognition

Income from donations and fund raising events are recognised on an accrual basis.

Revenue from sale of items is recognised upon delivery of the goods and acceptance by the customer.

Interest income is recognised on an accrual basis unless collectability is in doubt.

(h) Employee Benefits

The Fund makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Related Parties

A related party is a person or body of persons who has the ability, directly or indirectly, to control or exercise significant influence over the financial and operating decisions of the Fund, including other charity that is subject to common control or common significant influence.

3. PRINCIPAL ACTIVITY

The principal activity of the Fund is to develop and implement rehabilitation and reintegration programmes for ex-offenders, and provide social support services for the families affected by incarceration.

4. EMPLOYEE BENEFITS

	<u>2010</u>	<u>2009</u>
	\$	\$
Salaries and related costs	31,540	33,933
Employer's contributions to Central Provident Fund	<u>4,400</u>	<u>4,015</u>
	<u>35,940</u>	<u>37,948</u>

5. DISBURSEMENT OF FUNDS

This represents general fundings to various agencies for children programmes, reintegration programmes for ex-offenders and family support programmes for inmates.

6. OTHER RECEIVABLES

	<u>2010</u>	<u>2009</u>
	\$	\$
Non-trade receivables	1,946	302,480
Donation receivables	<u>10,647</u>	<u>50,700</u>
	<u>12,593</u>	<u>353,180</u>

Non-trade receivables are unsecured, interest-free and expected to be repayable on demand.

7. FIXED DEPOSITS WITH BANK

All fixed deposits mature within one year and bear interest at 0.4% to 0.65% (2009: 0.5% to 0.8%) per annum.

8. BURSARY FUND

The Yellow Ribbon Bursary fund is to provide bursary to financially needy ex-offenders for vocational and skills-based training to help them achieve employment and self sufficiency.

9. CULINARY TRAINING PROGRAMME FUND

The Yellow Ribbon Culinary Training Programme fund is to fund inmates for course and competition fees of the culinary training programme.

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

10. EDUCATION PROGRAMME FUND

The Yellow Ribbon Education Programme fund is to be used for awards to inmates or their immediate families who attended the Kaki Bukit Centre (Prison School) education programmes and achieved outstanding academic performances.

11. EMERGENCY FUND

The Yellow Ribbon Emergency fund was launched with seed funding from the Goh Foundation in 2006, to provide immediate financial assistance for ex-offenders and their families to tide over crises caused by incarceration. The seed fund from the Goh Foundation had been fully utilised in year 2008. Since then The Yellow Ribbon Emergency fund was reimbursed from the General fund of Yellow Ribbon Fund.

12. YRF-SCORE SKILLS TRAINING AND EMPLOYMENT SUPPORT PROGRAMME ("YSTESP") FUND

The Yellow Ribbon YSTESP fund is for the purpose of providing inmates and ex-offenders with training in life-skills, vocational training/education and employment support through the YRF-SCORE Skills Training and Employment Support Programme.

13. GENERAL FUND

Included in general fund is an amount of \$570,700 which has been set aside by management for bursary purposes. During the year, an amount of \$55,389 (2009: \$6,800) had been disbursed and charged to the statement of comprehensive income. The balance as at the end of the year of \$508,511 (2009: \$563,900) remains in the general fund.

14. OTHER PAYABLES

	<u>2010</u>	<u>2009</u>
	\$	\$
Non-trade payables	13,786	15,012
Accruals	<u>5,001</u>	<u>4,494</u>
	<u>18,787</u>	<u>19,506</u>

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

15. INCOME TAX

As a registered charity under the Charities Act, Cap. 37, the Fund is exempt from income tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

16. CASH AND CASH EQUIVALENTS

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

	<u>2010</u>	<u>2009</u>
	\$	\$
Fixed deposits with bank	2,050,000	1,900,000
Cash and bank balances	<u>1,296,544</u>	<u>1,037,811</u>
	3,346,544	2,937,811
Less: Fixed deposits with maturity over 3 months	<u>1,500,000</u>	<u>950,000</u>
	<u>1,846,544</u>	<u>1,987,811</u>

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

17. RELATED PARTY DISCLOSURES

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

	<u>2010</u>	<u>2009</u>
	\$	\$
(a) <u>With Board members</u>		
Donations received	5,150	22,700
(b) <u>With a related party</u>		
Donation received	7,618	-
Events income	44,404	-
Salaries and related cost	33,306	21,941
Disbursement of funds	30,500	70,000
Events expenses	82,493	10,558
Other receivables	4,577	-
Other payables	9,319	157

Related party transactions are based on terms agreed between the parties.

All amount owing to/by related party are unsecured, interest-free and are repayable on demand.

18. FINANCIAL RISK MANAGEMENT

The Fund is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and interest rate risk. The 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 counterparties to settle their financial and contractual obligations to the Fund as and when they fall due.

The Fund's main financial assets consist of cash and cash equivalents. Cash and bank deposits are placed with financial institutions which are regulated.

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 Fund will encounter difficulty in meeting financial obligations due to shortage of funds.

The Fund manages its operating cash flows and the availability of funding so as to ensure that a sufficient level of cash and cash equivalents is maintained to meet its working capital requirement.

All financial liabilities of the Fund are repayable on demand or mature within one year, as disclosed in note 14 to the financial statements.

YELLOW RIBBON FUND

(Registered under the Charities Act, Chapter 37)

18. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest rate risk

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

The Fund does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The Fund 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 Fund are disclosed in note 7 to the financial statements.

19. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

20. RESERVES POLICY

The primary objective of the Fund's reserves management policy is to provide financial stability and the means to support its ongoing programmes and develop its principal activities.

As at the balance sheet date, the Fund's reserves consist of:

- (a) Unrestricted fund, namely the General fund; and
- (b) Restricted/designated fund, which comprise only the Bursary fund.

Restricted/designated funds are only used for the specific purposes for which the funds were set up.

The management periodically reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Fund's continuing obligations.

The Fund is not subject to externally imposed reserve requirements.

There were no changes to the Fund's approach to reserves management during the year.

21. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Fund for the year ended 31 December 2010 were authorised for issue by the Yellow Ribbon Fund Committee on 18 May 2011.

