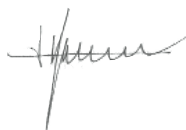


Statement of Council

We, the undersigned, being the council members of Kampung Senang Charity And Education Foundation, hereby certify that, in our opinion, the attached balance sheet, income statement and the cash flow statement, together with the notes thereon, are properly drawn up so as to give a true and fair view of the state of affairs of the said Society as at 30th September 2005 and of the results and cash flows of the Society for the year ended on that date.



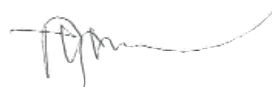
Vice President


Assistant Hon. Treasurer
Singapore, 8th December 2005Report of the Auditors
to the Trustees

We have audited the accompanying balance sheet of Kampung Senang Charity And Education Foundation as at 30th September 2005, and the income statement and cash flow statement for the year ended on that date. These financial statements are the responsibility of the council members. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standard on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the council members, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements are properly drawn up in accordance with the Charities Act (Cap. 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 30th September 2005 and of the results and cash flows of the Society for the year ended on that date.


Chew Whye Lee & Co.
Certified Public Accountants

Singapore, 8th December 2005

Balance sheet as at 30th September 2005

	NOTES	2005 S\$	2004 S\$
ASSETS			
Non-Current Assets			
Plant and equipment	3	40,480	74,774
Current Assets			
Other receivables	4	8,333	25,021
Cash and cash equivalents	5	285,224	86,642
		293,557	111,663
Total Assets		334,037	186,437
FUND AND LIABILITIES			
Accumulated Fund			
Balance brought forward		73,321	25,631
Surplus		187,739	47,690
		261,060	73,321
Current Liabilities			
Provisions and other liabilities	6	72,977	113,116
Total Fund and Liabilities		334,037	186,437
CASH FLOW STATEMENT			
	NOTES	2005 S\$	2004 S\$
Cash Flows From Operating Activities			
Cash receipts from customers		993,751	739,091
Cash paid to suppliers		(785,237)	(619,712)
Net Cash From Operating Activities		208,514	119,379
Cash Flows From Investing Activities			
Purchase of plant and equipment		(9,932)	(60,064)
Net Cash Used In Investing Activities		(9,932)	(60,064)
Net Cash From Financing Activities		-	-
Net increase in cash and cash equivalents		198,582	59,315
Cash and cash equivalents at beginning of year		86,642	27,327
Cash And Cash Equivalents At End Of Year	5	285,224	86,642

Income and Expenditure Statement for the year ended 30th September 2005

NOTES	2005 S\$	2004 S\$
INCOME		
Charity events	101,324	45,754
Donation	456,875	302,577
Elderly care	20,380	34,501
General grant and subsidies	108,539	93,546
HSPC activities	39,899	
Interest from bank	323	118
Membership fees	8,650	8,260
Organic food support	20,737	60,528
Others	47,039	36,145
Student activities	38,679	20,362
Student care	151,306	137,418
	993,751	739,091
Less EXPENDITURE		
Accountancy fee	1,800	1,800
Advertising and marketing costs	10,173	4,321
Audit fee	2,394	680
Bank charges	816	1,019
Charity show and other activities costs	33,166	12,795
Computer expenses	4,223	536
Courses	1,306	5,727
CPF, FWL and SDL	33,172	28,235
Depreciation of plant and equipment	3 44,226	55,342
Donation	19,234	-
Expendable equipment	9,086	2,186
Farming cost	3,119	3,387
General expenses	1,621	1,464
Insurance	5,417	1,227
Lecturing	65,205	81,192
Legal and professional fees	-	1,375
Licence and permit expenses	1,639	310
Meals	42,979	45,679
Medical fees	2,653	4,160
Organic food cost	38,233	51,529
Postages	1,990	858
Printing and stationery	9,474	7,340
Recreation cost	12,187	1,907
Rental of bus	9,780	9,600
Rental of centre	42,137	37,409
Repairs and maintenance	4,628	3,221
Staff benefits	7,776	3,780
Staff salaries	304,522	259,427
Subsistence aid	7,219	-
Sundry direct cost	3,789	4,089
Telephone charges	6,517	6,453
Upkeep of motor vehicle	23,363	18,493
Upkeep of premise	10,519	18,991
Utilities	9,934	8,507
Volunteers' allowances	31,715	8,362
	806,012	691,401
Surplus for the year transferred to accumulated fund	187,739	47,690

Notes to Financial Statements

1. General information

The Society is registered under the Societies Act Cap. 311, as well as a Charity under the Charities Act, 1994.

The registered office and principal place of activities of the Society is located at Blk 840 Tampines Street 82, #01-111, Singapore 520840.

The principal activities of the Society are to operate day care and activities centres for senior citizens, children and their families.

The number of employees as at 30th September 2005 was 30 (2004:27).

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements of the Society, expressed in Singapore dollars, have been prepared in accordance with the historical cost convention.

(b) Statement of compliance

The financial statements of the Society have been prepared in accordance with the provisions of the Society Act, and the Rules made thereunder and Singapore Financial Reporting Standards.

(c) Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation.

The Society computes depreciation utilising the straight-line method based on the estimated useful lives of the relevant assets as follows:

General Equipment	33.33%
Computers	33.33%
Furniture And Fittings	33.33%
Motor Vehicles	20%

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively.

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

(d) Leased assets

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the present value of the total rental payable during the periods of the leases and the corresponding lease commitments are included under liabilities. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

(e) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accruals are made for the unconsumed leave as a result of service rendered by employees up to the balance sheet date.

(f) Taxation

Income tax is payable as provided for in Section 13 of the Income Tax Act.

(g) Income recognition

All income is taken on cash basis.

3. Plant and equipment

CostS\$	General Equipment S\$	Computers S\$	Furniture & Fittings S\$	Motor Vehicles S\$	Total
As at 01/10/04	68,640	12,582	58,559	98,274	238,055
Additions	4,200	4,132	1,600	-	9,932
As at 30/09/05	72,840	16,714	60,159	98,274	247,987
Accumulated Depreciation					
As at 01/10/04	52,319	10,989	40,159	59,814	163,281
Depreciation for the year	15,018	2,970	16,182	10,056	44,226
As at 30/09/05	67,337	13,959	56,341	69,870	207,507
Depreciation for 2004	16,107	2,616	16,964	19,655	55,342
Carrying value					
As at 30/09/05	5,503	2,755	3,818	28,404	40,480
As at 30/09/04	16,321	1,593	18,400	38,460	74,774

4. Other receivables

	2005 S\$	2004 S\$
Sundry receivable	2,400	-
Prepayment	289	1,777
Deposit	5,644	23,244
	8,333	25,021

5. Cash and cash equivalents

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

	2005 S\$	2004 S\$
Cash and bank balances	285,224	86,642

6. Provisions and other liabilities

	2005 S\$	2004 S\$
Current		
Other creditors	19,170	57,349
Accruals	53,807	55,767
	72,977	113,116

7. Financial risk management

The main risks arising from the Society's financial instruments arise from credit and liquidity risks. The Society's policies for managing each of these risks are summarised below:

(a) Credit risk The Society is exposed to credit risk in the event that counterparties fail to perform their obligations, resulting in a financial loss to the Society. The Society has no major concentration of credit risk. The carrying amount of financial assets recorded in the financial statements represents the Society's maximum exposure to credit risk.

(b) Liquidity risk In the management of liquidity risk, the Society monitors and maintains a level of cash and bank balances deemed adequate to finance the Society's operations and to mitigate the effects of fluctuations in short-term cash flows.

(c) Fair values The carrying amounts of the financial assets and financial liabilities as reflected in the balance sheet approximate to their fair values.

8. Change of Society's name

On 7th September 2004, the Society had changed its name from Kampung Senang to Kampung Senang Charity And Education Foundation.