

MILK (MAINLY I LOVE KIDS) FUND
(Society Registration No. 187/2004)
(Charity Registration No. 1793)

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

MILK (MAINLY I LOVE KIDS) FUND

GENERAL INFORMATION

EXECUTIVE COMMITTEE MEMBERS

President	:	Dr Sheryn Mah
Vice President	:	Mr Stanley Tan Poh Leng
Secretary	:	Mrs Joy Balakrishnan
Honorary Treasurer	:	Ms Janet Lyn Yoke Chin Mr Lee Lung Nien

EXECUTIVE DIRECTOR

Ms Ng Bee Leng (up to 31 January 2008)

TRUSTEES OF THE PROPERTY

1. Mr Yeo Cheng Boon
2. Ms Janet Lyn Yoke Chin

REGISTERED OFFICE

No.1 Kaki Bukit Road 1
#02-10 Enterprise One
Singapore 415934

CONTENTS

Page No.

Independent Auditors' Report	2 - 3
Balance Sheet	4
Statement of Financial Activities	5
Statement of Changes in Funds	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 20

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MILK (MAINLY I LOVE KIDS) FUND
For the financial year ended 31 March 2008**

We have audited the accompanying financial statements of MILK (Mainly I Love Kids) Fund, which comprise the balance sheet as at 31 March 2008, the statement of financial activities, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We have examined the Return of Tax-Deductible Receipts amounting to \$6,156,914 with regards to tax-deductible donations and \$1,503,446 with regards to non-tax-deductible donations of MILK (Mainly I Love Kids) Fund for the period from 1 April 2007 to 31 March 2008.

The Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Singapore Financial Reporting Standards, the provision of the Charities Act, Chapter 37, the Societies Act, Chapter 311 and Recommended Accounting Practice No. 6 (RAP 6). 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 unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and balance sheet 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 of 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 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 Society'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 Executive Committee, 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 MEMBERS OF MILK (MAINLY I LOVE KIDS) FUND
For the financial year ended 31 March 2008**

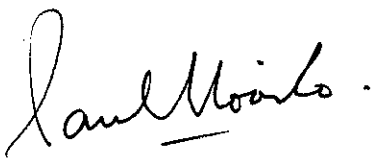
Opinion

In our opinion,

- (a) the financial statements of the MILK (Mainly I Love Kids) Fund present fairly, in all material respects the state of affairs of the MILK Fund as at 31 March 2008 and of the results, changes in funds and cash flows of the MILK Fund for the year ended on that date in accordance with the Singapore Financial Reporting Standards, the provisions of the Charities Act, Chapter 37, the Societies Act, Chapter 311 and Recommended Accounting Practice No. 6 (RAP 6); and
- (b) proper accounting records, including those of all assets and liabilities of the MILK Fund have been kept.
- (c) the Return of Tax-Deductible Receipts presents fairly the tax-deductible receipts issued by the MILK Fund for the period from 1 April 2007 to 31 March 2008.

During the course of our examination, nothing came to our notice that cause us to believe that,

- a) tax-deductible receipts were issued for donations other than outright cash donations;
- b) donations for which tax-deductible receipts have been issued were not used for welfare activities approved by the Charitable Fund;
- c) the internal accounting controls over the issue and custody of tax-deductible receipts were inadequate;
- d) there were significant contraventions of the Rules for the Administration of NCSS Charitable Fund Scheme for Voluntary Welfare Organisations.



PAUL HOOI & CO.,
*Public Accountants and
Certified Public Accountants*
Singapore, 24 JUN 2008

MILK (MAINLY I LOVE KIDS) FUND
BALANCE SHEET AS AT 31 MARCH 2008

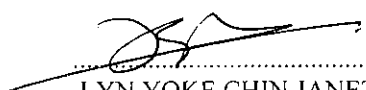
	Note	2008 \$	2007 \$
<u>LEASEHOLD PROPERTY</u>	3	731,290	-
<u>CURRENT ASSETS</u>			
Cash at Bank		2,073,769	946,107
Fixed Deposits		3,347,601	30,218
Donations and Other Receivables	4	57,726	33,010
Deposits and Prepayments		5,090	-
TOTAL ASSETS		6,215,476	1,009,335
<u>FUNDS</u>			
<u>Unrestricted Funds</u>			
Local Work:			
Designated Fund-Compassion Fund	5	362,507	201,808
Designated Fund-Hope Chronic Illness Programme	6	172,317	-
General Fund	7	5,455,907	420,869
		5,990,731	622,677
Non-Local Work:			
General Fund	7	218,560	366,885
Total Funds		6,209,291	989,562
<u>CURRENT LIABILITIES</u>			
Accruals		6,185	19,773
TOTAL FUNDS AND LIABILITIES		6,215,476	1,009,335

CERTIFIED CORRECT:-


 STANLEY TAN POH LENG
 VICE PRESIDENT

24 JUN 2008

DATE


 LYN YOKE CHIN JANET
 HON. TREASURER

24 JUN 2008

DATE

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

MILK (MAINLY I LOVE KIDS) FUND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

Unrestricted Funds						
	Local Work General Fund	Local Work Designated Fund: Compassion Fund	Local Work Designated Fund: Hope Chronic Illness Programme	Non-Local Work General Fund	Total Funds	Total Funds
	2008	2008	2008	2008	2008	2007
<u>Note</u>	\$	\$	\$	\$	\$	\$
<u>Incoming Resources</u>						
Incoming Resources from Generated Funds:-						
- Voluntary Income	8	6,738,333	218,181	172,317	531,529	7,660,360
- Investment Income		20,340	-	-	-	20,340
- Membership Fees		100	-	-	-	100
Total Incoming Resources		6,758,773	218,181	172,317	531,529	7,680,800
<u>Resources Expended</u>						
Costs of Generating Voluntary Income	10	21,583	-	-	-	21,583
Charitable Activities						
- Local Work		1,480,817	57,482	-	-	1,538,299
- Non-Local Work		-	-	653,074	653,074	485,060
Total Charitable Activities	12	1,480,817	57,482	-	653,074	2,191,373
Governance Costs	13	221,335	-	-	26,780	248,115
Total Resources Expended		1,723,735	57,482	-	679,854	2,461,071
Net Incoming/(Outgoing) Resources		5,035,038	160,699	172,317	(148,325)	5,219,729
<u>Reconciliation of Funds:-</u>						
Total funds brought forward		420,869	201,808	-	366,885	989,562
Total funds carried forward		5,455,907	362,507	172,317	218,560	6,209,291

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

MILK (MAINLY I LOVE KIDS) FUND
STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	<u>Unrestricted Funds</u>		
	Local Work	Non-Local Work	Total
	\$	\$	\$
At 1 April 2006	600,541	229,505	830,046
Net incoming resources for the year	22,136	137,380	159,516
At 31 March 2007	<u>622,677</u>	<u>366,885</u>	<u>989,562</u>
At 1 April 2007	622,677	366,885	989,562
Net incoming/(outgoing) resources for the year	5,368,054	(148,325)	5,219,729
At 31 March 2008	<u><u>5,990,731</u></u>	<u><u>218,560</u></u>	<u><u>6,209,291</u></u>


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

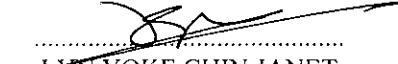
MILK (MAINLY I LOVE KIDS) FUND

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the financial year	5,219,729	159,516
Adjustment for :-		
Depreciation	3,789	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,223,518	159,516
Changes in operating assets/liabilities:-		
Increase / decrease in :-		
Deposits and prepayments	(5,090)	-
Donations and other receivables	(24,716)	(33,010)
Accruals	(13,588)	13,773
Net cash generated from operating activities	5,180,124	140,279
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of leasehold property	(735,079)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,445,045	140,279
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	976,325	836,046
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,421,370	976,325

CERTIFIED CORRECT:-


 STANLEY TAN POH LENG
 VICE PRESIDENT
 24 JUN 2008
 DATE


 LYN YOKE CHIN JANET
 HON.TREASURER
 24 JUN 2008
 DATE

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

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

These notes form an integral part of the financial statements and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

MILK (Mainly I Love Kids) Fund is a society registered since 23 June 2004 with the Registrar of Societies under the Societies Act, Chapter 311, and has its registered office at No. 1 Kaki Bukit Road 1, Enterprise One, #02-10, Singapore 415934.

The principal activities of MILK (Mainly I Love Kids) Fund are reaching out to disadvantaged children in the hope of developing them into contributing members of society.

The MILK Fund is approved as an institution of a public character ("IPC") under the provision of the Income Tax Act. The MILK Fund's tax exempt status has been extended from 1 October 2007 to 31 December 2010.

The MILK Fund is registered as a charity under the Charities Act, Chapter 37 since 6 July 2004. It was granted Associate Membership with NCSS with effect from August 1, 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements have been prepared in accordance with the provisions of the Singapore Charities Act, Singapore Societies Act, Singapore Financial Reporting Standards (FRS) and Recommended Accounting Practice No.6 (RAP 6).

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

The financial statements are presented in Singapore dollars which is the MILK Fund's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

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.

The accounting policies have been applied consistently to all periods presented in these financial statements.

2.2 Funds structure

The Unrestricted Funds comprises of designated and general fund are available for use at the discretion of the Executive Committee in furtherance of the MILK Fund's objects.

For administrative reasons, unrestricted funds may be designated by the Executive Committee for use under specific purposes.

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

2.3 Leasehold Property

Owned Assets

Leasehold property is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation

Capitalisation and depreciation policy adopted are as follow:

	<u>Depreciation on straight-line method</u>
Leasehold property	Over the remaining period of lease
Moveable asset with unit cost below S\$20,000	Write off in the year of acquisition
Moveable asset with unit cost of S\$20,000 and above	Depreciate over 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.4 Impairment of assets

The carrying amounts of the MILK Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. All impairment losses are recognised in the statement of financial activities whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization and had no impairment loss been recognised. All reversals of impairment are recognised in the statement of financial activities.

2.5 Accruals

Accruals, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the MILK Fund.

2.6 Incoming Resources

- a. Donations and income from fund-raising projects are recognised as and when received.
- b. Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.
- c. Income on bank current accounts and fixed deposits placed with banks are recognised on an accrual basis.

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

2.7 Resources Expended

All expenditures are accounted for on an accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs cannot be wholly attributable to an activity, they have been apportioned on a basis consistent with the use of resources.

a. Costs of generating funds from fund-raising activities

These costs are directly attributable to the fund-raising activities, separate from those costs incurred in undertaking charitable activities.

b. Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the MILK Fund.

c. Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the MILK Fund, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements, and an apportionment of overhead and shared costs.

2.8 Employee benefits

Defined contribution plan

As required by law, the MILK Fund makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF Contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

3. LEASEHOLD PROPERTY

	Leasehold Property \$
COST	
At 01.04.07	-
Additions	735,079
At 31.03.08	<u>735,079</u>
ACCUMULATED DEPRECIATION	
At 01.04.07	-
Charge for the year	3,789
At 31.03.08	<u>3,789</u>
NET BOOK VALUE	
At 31.03.07	-
At 31.03.08	<u>731,290</u>

The above leasehold office premise was purchased with donation from a MILK Member (also see Note 9).

Leasehold property is held in trust by two MILK Members, Mr Yeo Cheng Boon and Ms Janet Lyn Yoke Chin.

4. DONATIONS AND OTHER RECEIVABLES

	2008 \$	2007 \$
Donations receivables	50,000	31,615
Other receivables	5,894	1,395
Interest receivables	1,832	-
Total	<u>57,726</u>	<u>33,010</u>

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

5. DESIGNATED FUND - COMPASSION FUND

	Unrestricted Fund \$
Balance as at 1 April 2007	201,808
Donations received:	
- Designated Donations	98,539
- Share-A-Meal	118,492
- Share-A-Meal Hosting	1,150
	218,181
Disbursements	(57,482)
	160,699
Balance as at 31 March 2008	362,507

Compassion Fund is a fund set up for students whose families may be in crisis as a result of the death of a breadwinner, a sudden illness or accident in the family.

The main objective of Compassion Fund is to give early and timely financial assistance to students in crisis so as to prevent the crisis from causing the families to spiral into poverty or other chronic family problems.

6. DESIGNATED FUND - HOPE CHRONIC ILLNESS PROGRAMME

	Unrestricted Fund \$
Balance as at 1 April 2007	-
Donations received:	
- Third Party Events (The Bull Run 2007)	170,745
- General – Individual Donor	1,000
- Donation Boxes at IKEA	572
	172,317
Balance as at 31 March 2008	172,317

Hope Chronic Illness Programme is set up to provide access to medical treatment for children who suffer from chronic illnesses that have good medical and social prognosis for mainstream education and employment. With medical attention that they would otherwise not afford, these children are able to live as active a life as possible as contributing members of society.

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

7. GENERAL FUND

	<u>Unrestricted Funds</u>		
	Local Work	Non-Local Work	Total
	\$	\$	\$
Balance as at 1 April 2007	420,869	366,885	787,754
Incoming Resources	7,149,271	531,529	7,680,800
Resources Expended	(1,781,217)	(679,854)	(2,461,071)
	5,368,054	(148,325)	5,219,729
Transfer to designated funds:			
-Compassion Fund	(160,699)	-	(160,699)
-Hope Chronic Illness Programme	(172,317)	-	(172,317)
	5,035,038	(148,325)	4,886,713
Balance as at 31 March 2008	5,455,907	218,560	5,674,467

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

8. VOLUNTARY INCOME

The following items form the voluntary income:-

	Unrestricted Funds					Total Funds 2007
	Local Work General Fund	Local Work Compassion Fund	Local Work Hope Chronic Illness Programme	Non-Local Work General Fund	Total Funds 2008	
	2008 \$	2008 \$	2008 \$	2008 \$	2008 \$	
Donation in Cash						
Direct Donations from MILK Members	199,921	-	-	28,000	227,921	144,500
Donation by MILK Member for the purchase of leasehold property	735,079	-	-	-	735,079	-
Donation Boxes at IKEA	1,143	-	572	-	1,715	-
Designated for Compassion Fund	-	98,539	-	-	98,539	-
General Donations	256,968	-	1,000	413,029	670,997	623,247
MILK Dinner *	3,738,603	-	-	-	3,738,603	1,438,050
Share-A-Meal	-	118,492	-	-	118,492	126,857
Share-A-Meal Hosting	-	1,150	-	-	1,150	-
Singapore Power Mailer	18,295	-	-	-	18,295	95,655
Third Party Events	1,469,419	-	170,745	90,500	1,730,664	681,949
MILK Donation Draw	-	-	-	-	-	234,149
Timor-Leste Appeal	-	-	-	-	-	119,343
Government Grants	252,487	-	-	-	252,487	178,307
Sponsorships						
For Training Expense	668	-	-	-	668	-
Renovation and Furnishing	50,000	-	-	-	50,000	-
Singapore Power Mailer	15,750	-	-	-	15,750	15,750
MILK Donation Draw	-	-	-	-	-	5,069
Total	6,738,333	218,181	172,317	531,529	7,660,360	3,662,876

* Donations received for MILK Dinner were from:

	2008	2007
	\$	\$
MILK Members	1,015,000	43,164
Other Donors	2,723,603	1,394,886
Total	3,738,603	1,438,050

Included in the voluntary income for local work are tax deductible donations of \$6,156,914 (2007: \$2,361,009).

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

9. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the MILK Fund if the MILK Fund has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the MILK Fund and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

9.1 Use of office premise

During the financial year, a legally binding and enforceable relationship was created between:-

MILK (Mainly I Love Kids) Fund and Mission House Investment Pte Ltd.

MILK (Mainly I Love Kids) Fund, a Charity registered in July 2004 and existing under the laws of Singapore with mailing address at No.1 Kaki Bukit Road 1, #02-10 Enterprise One, Singapore 415934, represented by its President, Dr Sheryn Mah and hereinafter referred to as 'MILK'.

Mission House Investment Pte Ltd, a company registered under Singapore Laws with address at 27 Cantonment Road, Singapore 089745, represented by its director Mr Yeo Cheng Boon, who is a MILK Member and one of the trustees of the leasehold property, and hereinafter referred to as 'Mission House'.

MILK, undertakes to allow Mission House and all those authorised by Mission House, without charge, the free and unlimited access and use of unit #02-10 including but not limited to storage purposes.

Mission House, as a gesture of goodwill and in its aim of assisting in the charitable work of MILK, as the registered owner of No.1 Kaki Bukit Road 1, #02-09 Enterprise One, Singapore 415934 undertakes to allow MILK, without charge:

- a) the free and unlimited access and use of unit #02-09 for its operations,
- b) the free and unlimited access and use of all equipment, including and not limited to computers, printers, fax machines, work stations and all other machines and equipment located at unit #02-09.

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

9. RELATED PARTY TRANSACTIONS (Cont'd)

9.2 Purchase of leasehold office premise

A donation of S\$735,079 was received from Mr Stanley Tan Poh Leng, a MILK Member for use towards the purchase of office premise known as No. 1 Kaki Bukit Road 1, #02-10 Enterprise One, Singapore 415934. The donation was accepted upon the following conditions:

- a) that the Property be used for the purposes of the MILK Fund by members of the MILK Fund, members of the Executive Committee, volunteers approved by the Executive Committee and/or such other persons as may be approved by the Executive Committee from time to time;
- b) that any rental income derived from the Property be applied towards the purposes of the MILK Fund; and
- c) in the event that the Property is sold, that the sale proceeds from the sale be applied towards the purposes of the MILK Fund as directed by the Executive Committee, and any balance unused within 3 years from the date of sale be donated to any approved children's charity(ies) in Singapore selected by the Executive Committee.

10. COSTS OF GENERATING VOLUNTARY INCOME

The following items form the cost of generating voluntary income:-

	Unrestricted Funds	
	Local Work General Fund	Local Work General Fund
	2008	2007
	\$	\$
Donation Boxes at IKEA	520	-
MILK Dinner	2,155	800
Share-A-Meal	3,023	2,589
Singapore Power Mailer	15,885	16,247
MILK Donation Draw	-	15,125
Total	21,583	34,761

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

11. SPONSORSHIP IN KIND

Sponsorship in kind received for fund raising events were as follow:

	Estimated
	\$
MILK Dinner	740,903
Share-A-Meal	2,205
Total	743,108

Sponsorship in kind for MILK Dinner includes cost to organize event, venue and dinner (estimated at \$346,800) and donated items for auction (estimated at \$394,103).

Sponsorship in kind for Share-A-Meal includes lorry, tables and chairs rental, poster design and food for volunteers.

12. COSTS OF CHARITABLE ACTIVITIES

The following items form the costs of charitable activities:-

	Unrestricted Funds				
	Local Work General Fund	Local Work Designated Fund: Compassion Fund	Non-Local Work General Fund	Total Funds	Total Funds
	2008	2008	2008	2008	2007
	\$	\$	\$	\$	\$
Local Work					
ARC(S) MILK Bursary	7,140	-	-	7,140	121,580
Assistive Technology Fund					
Supplement	46,542	-	-	46,542	28,143
Beyond Social Services	1,427,135	-	-	1,427,135	1,725,306
Compassion Fund	-	57,482	-	57,482	92,195
SADeaf MILK Grant	-	-	-	-	4,655
The Hope Fund	-	-	-	-	900,000
Total	1,480,817	57,482	-	1,538,299	2,871,879
Non-Local Work					
Luoyuan Work	-	-	424,036	424,036	352,746
Philippines Work	-	-	940	940	592
Timor-Leste Work	-	-	134,034	134,034	131,722
Thailand Work	-	-	94,064	94,064	-
Total	-	-	653,074	653,074	485,060
Total Charitable Activities	1,480,817	57,482	653,074	2,191,373	3,356,939

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

13. GOVERNANCE COSTS

The following items form the governance costs:-

	Unrestricted Funds			
	Local Work General Fund	Non-Local Work General Fund	Total Funds	Total Funds
	2008	2008	2008	2007
	\$	\$	\$	\$
Audit fee	4,000	-	4,000	4,800
Bank charges	2,092	1,006	3,098	1,276
Building maintenance	26,266	-	26,266	-
Courier	139	380	519	-
Depreciation	3,789	-	3,789	-
Fixed assets expensed off	27,405	-	27,405	-
General expenses	1,410	-	1,410	-
Insurance	702	-	702	-
IT services	323	-	323	-
Manpower and related costs	144,189	24,911	169,100	97,527
Printing and stationery	3,253	-	3,253	72
Property tax	793	-	793	-
Staff benefit and welfare	51	-	51	-
Tax fee	500	-	500	500
Telecommunications	2,036	483	2,519	5,310
Training	728	-	728	-
Transport	951	-	951	168
Utilities	182	-	182	-
Website development	2,526	-	2,526	-
Accounting fee	-	-	-	3,000
NCSS membership fees	-	-	-	142
Total	221,335	26,780	248,115	112,795

14. DONATIONS FROM MEMBERS

In the current financial year, all operating costs were borne by donations from Members.

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

15. RESERVES

Reserves to be built up continuously as much as is necessary to achieve our vision of “No child capable of developing into a contributing member of the society will be marginalised because of disability, illness, poverty or social circumstances” for as long as there exist a need, immediate or otherwise, and accordingly, no set desired level of reserves is necessary.

Investment of reserves must only be in Singapore Dollar denominated bank deposit and with banks within Singapore only.

The reserves policy will be reviewed from time to time on a need basis and to be disclosed in the annual report.

16. REMUNERATION OF EMPLOYEES

	2008	2007
Number of staff	2	4
<u>Number of key management in remuneration bands</u>		
\$50,000 to \$75,000	-	1
\$75,001 to \$100,000	1	-
Above \$100,000	-	-

Key management consists of Executive Director.

17. KEY MANAGEMENT PERSONNEL

The MILK Fund is governed by the Executive Committee Members. All Executive Committee Members are volunteers and receive no monetary remuneration for their contributions.

18. INCOME TAX

The MILK Fund is registered as a charity under the Charity Act (Cap 37) and is exempt from income tax.

MILK (MAINLY I LOVE KIDS) FUND

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 MARCH 2008

19. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The main risks arising from the MILK Fund's financial instruments are credit risk and interest rate risk. The MILK Fund does not use derivatives and other instruments in its risk management activities. The MILK Fund does not hold or issue derivative financial instruments for trading purposes. The Executive Committee Members review and agree policies for managing each of these risks and they are summarised below:

Credit risk

The carrying amount of bank balances and other receivables represent the MILK Fund's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The MILK Fund has no significant concentration to credit risk and placed its surplus funds with licensed banks in Singapore.

Interest rate risk

The MILK Fund's exposure to changes in interest rates relates primarily to its holding of fixed deposits. The MILK Fund's policy is to obtain favorable interest rates that are available.

Fair values of financial instruments

The following method and assumptions are used to estimate their fair value of each class of financial instruments:-

Cash and bank balances, other receivables and payables

The carrying amounts of these balances approximate their fair values due to their short-term nature.

20. COMPARATIVE FIGURES

In accordance with the requirements of Recommended Accounting Practice No. 6 (RAP 6)– Accounting and Reporting by Charities, the MILK Fund has presented, with effect from the financial year ended 31st March 2008, the amalgamated financial statement of the MILK Fund are shown as unrestricted funds classified under general funds and designated funds. Certain comparative figures have been reclassified to comply with current year's presentation.