




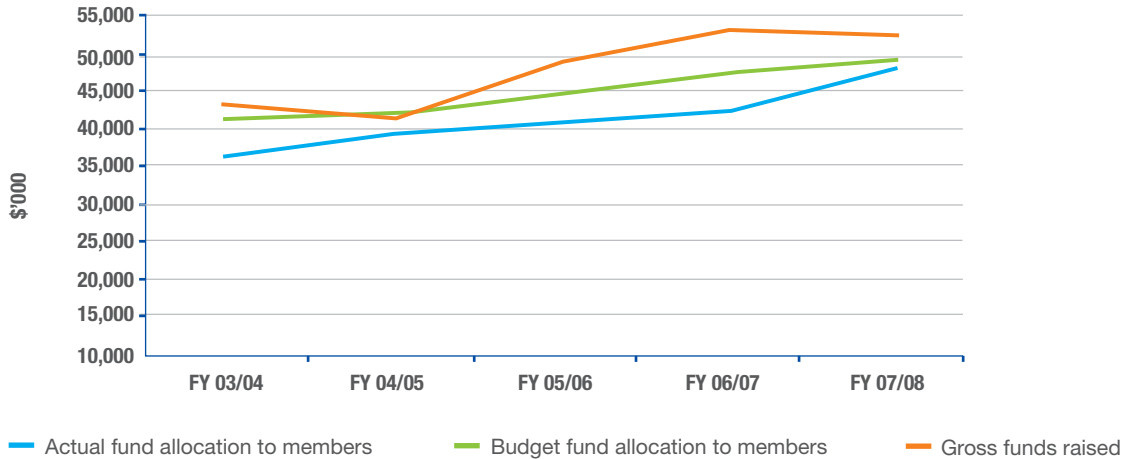
**FINANCIAL
STATEMENTS**



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MANAGEMENT DATA AND ANALYSIS

Funds Raised and Allocated



In the last financial year, the funds allocated to members increased by 12% from \$43.3m to \$48.8m. Funds raised, however, decreased 1% from \$52.8m to \$52.4m (the fund raising target for FY07/08 was \$49.4m). Under the new 3-year funding agreement from FY07/08 to FY09/10, the Singapore Totalisator Board (STB) increased its annual pledge to \$15m from the 1-year funding agreement of \$13m in FY06/07. NCSS will continue to look for innovative avenues of fund raising without compromising on values. NCSS will also focus on the positive outcomes in the lives of people served by funded programmes.

With effect from FY 07/08, the surplus in funds raised arising from the difference between the funds raised but not disbursed in a financial year, will be rolled forward into the next financial year's fund raising efforts so that there is no accumulation in the reserves. This is reflected in note 15 of the notes to the accounts."

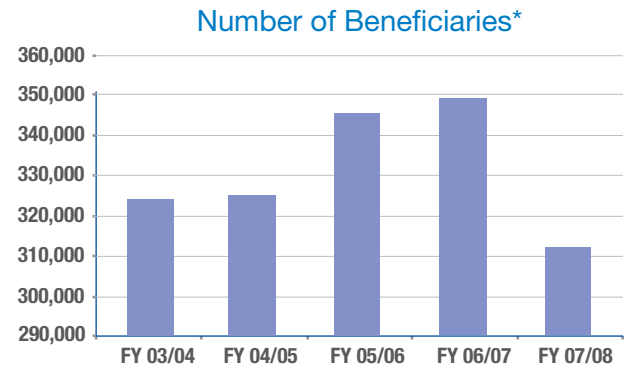
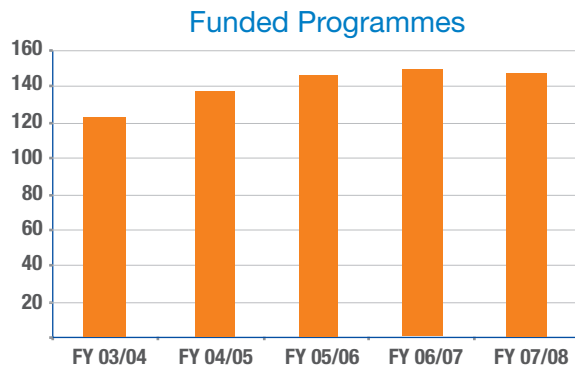
In the past 5 years, NCSS has also managed to maintain the cost of fund raising (including the internal allocated support costs) at between 10% to 14% of total funds raised. This is well below the requirement of the 30% cap for fund raising cost set by Inland Revenue Authority of Singapore for Institutions of Public Character.

The disbursement of funds in FY07/08 at \$48.8m was lower than the budget allocation of \$49.4m. This was because the number of people served by funded VWOs was lower than their projection. We have also tapped on the Singapore Totalisator Board Social Service Fund for new services that were rolled out during the year.

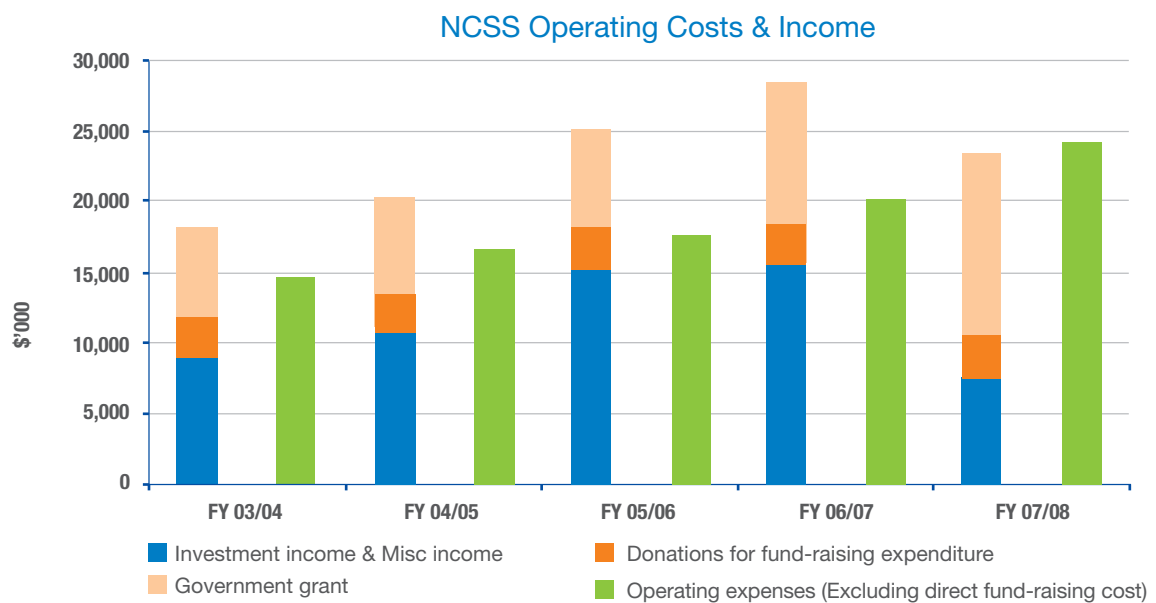
The fund allocation from Community Chest has increased by 30% from \$37.6m in FY03/04 to \$48.8m in FY07/08. This is mainly due to salary adjustments to attract and retain professionals, associate professionals and teachers. In addition, the revised CPF rate, GST and other operating costs contributed to the increase in FY07/08 fund allocation. This increase more than offset the decrease in funding of 2 programmes.

The number of people served has decreased by 4% from 324,071 in FY03/04 to 312,009 in FY07/08. The number of people served includes those that the funded agencies reach out to through public education and awareness activities.

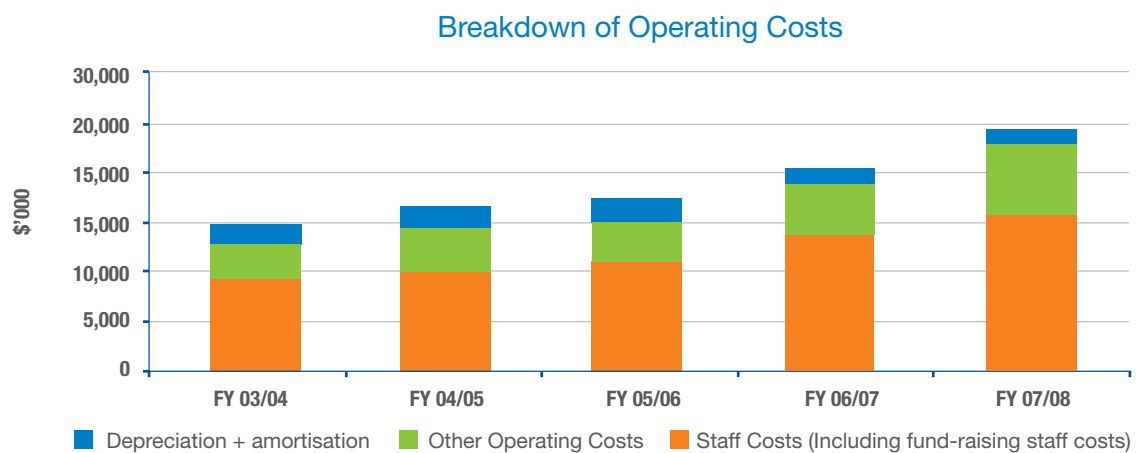
As some programmes become more established, the agencies will focus more resources intensively to direct service delivery. At the same time, some of these programmes are now partnering other structured systems, such as the ComCare Helpline, to refer people in need to the appropriate services.



* Figures reflect service-use counts plus public education outreach
 Definition of service-use counts by different programme types has been streamlined



NCSS operating expenses are funded by government grant, donations for fund raising expenditure and investment income. The decrease in income in FY07/08 is mainly due to decrease in investment income. NCSS managed to fund its operating expenses in the last five financial years although it experienced a deficit of \$2.1m before Community Chest Operations in the current financial year. Including Community Chest, an operating surplus of \$3.2m is recorded in FY07/08.



Staff costs and headcount increased from \$13.6m to \$15.8m and 220 to 234 respectively. Staff costs as a percentage of total costs actually increased from 62% in FY03/04 to 65% in FY07/08. NCSS has achieved much with the additional headcount during the past five years. The achievements in last financial year are listed in the key performance indicators.

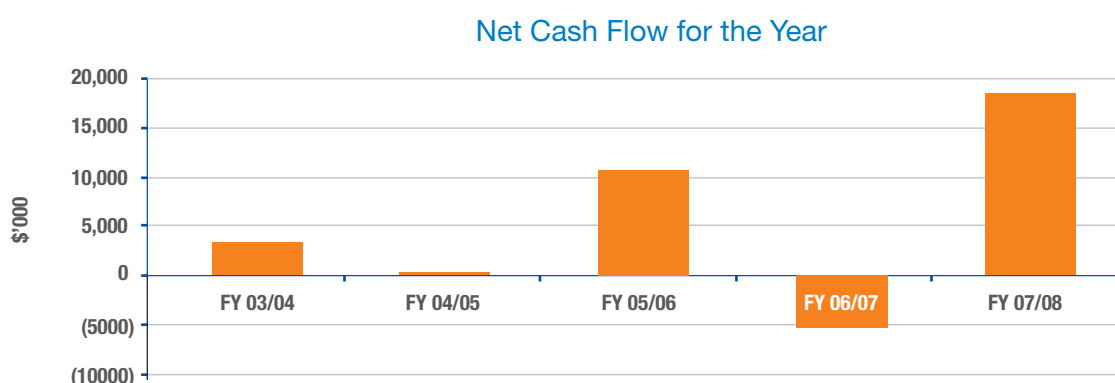
There is a reduction in depreciation and amortisation as many fixed assets are fully depreciated although they are still being used for operations. Other operating costs has increased mainly due to more courses conducted by SSTI.

In terms of salary band, the breakdown below shows a two year comparison by headcount.

Annual Remuneration* Salary band	No. of Staff	
	FY07/08	FY06/07
< \$50,000	140	149
\$50,000 to \$100,000	83	60
\$100,000 to \$150,000	8	7
\$150,000 to \$200,000	3	3
\$200,000 to \$250,000	2	0
\$250,000 to \$300,000	0	1
Total	236	220

* Salary and bonus (excluding employer's CPF contribution)

The past 5 years net cashflow movement is shown below:



NCSS funds come mainly from investment income, donations and government grants with all the three showing fluctuations over the years. On the other hand, NCSS operating expenses and funds disbursed to members have been increasing. In FY04/05, the cash generated from operations was mainly invested in bonds. In FY05/06, proceeds from disposal of bonds and quoted equity shares has resulted in a strong positive net cashflow. FY06/07 negative cashflow is attributed mainly to investments with funds placed out for bonds and managed funds. FY07/08 strong positive cashflow is mainly due to liquidation of investments.

