

HOME NURSING FOUNDATION

Registration Number: 152/76
(Registered under the Societies Act, Chapter 311)

Registration Number: S344/82
(Registered under the Charities Act, Chapter 37)

Financial Statements

Year Ended 31 March 2008

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CORPORATE INFORMATION

Registration

Home Nursing Foundation (the Foundation) is registered as a Voluntary Welfare Organisation in accordance with the Societies Act, Chapter 311, and as an Exempt Charity under the Charities Act 1982.

Registered Address

The Foundation has its registered office at 93 Toa Payoh Central, Toa Payoh Central Community Building, #07-01, Singapore 319194.

Board of Management

President

Mrs Fang Ai Lian

Vice President

Dr Tan Chee Beng

Honorary Treasurer

Mrs Teo Mei Wan

Honorary Secretary

Dr Ee Chye Hua

Board Trustees

Mr Bertie Cheng

Mdm Ho Geok Choo (appointed on 12 July 2008)

Mr Kong Mun Kwong

Board Members

Ms Doris Liew

Ms Tham Moon Yee

Mr Young Kuan Sing

Mr Chee Hong Tat (appointed on 27 May 2008)

Dr Phua Kai Hong

Ms Genevieve Theseira

Ms Ang Chin Lee, Joyce (appointed on 31 August 2007)

Auditors : KPMG

Statement by Board of Management

In our opinion, the financial statements set out on pages FS1 to FS15 present fairly the state of affairs of the Foundation as at 31 March 2008 and the results, changes in funds and cash flows of the Foundation for the year ended on that date in accordance with Singapore Financial Reporting Standards.

On the date of this statement, we have authorised the financial statements for issue.

On behalf of the Board of Management



Mrs Fang Ai Lian
President



Mrs Teo Mei Wan
Honorary Treasurer

18 August 2008

INDEPENDENT AUDITORS' REPORT

BOARD MEMBERS OF THE FOUNDATION

Home Nursing Foundation

(Registered under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

We have audited the accompanying financial statements of Home Nursing Foundation (the "Foundation") which comprise the balance sheet as at 31 March 2008, the income and expenditure account, 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, as set out on pages FS1 to FS15.

Management's responsibility for the financial statements

The Foundation's management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards.

Management has acknowledged that its 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 profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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 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 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 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:

- (a) the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Foundation as at 31 March 2008 and the results, changes in funds and cash flows of the Foundation for the year ended on that date;
- (b) the accounting and other records required by regulations enacted under the Charities Act and the Societies Act to be kept by the Foundation have been properly kept in accordance with those regulations; and
- (c) the fund-raising appeals held during the year ended 31 March 2008 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act, Chapter 311 and proper accounts and other records have been kept of the fund-raising appeals.

During the course of our audit, nothing came to our attention that caused us to believe that the Foundation did not comply with the requirements of regulation 15 (fund-raising expenses) in the Charities (Institutions of a Public Character) Regulations 2007.

**KPMG**

Public Accountants and
Certified Public Accountants

Singapore

18 August 2008

BALANCE SHEET

As At 31 March 2008

FS1

	Note	2008 \$	2007 \$
Non-current assets			
Property, plant and equipment	3	1,233,202	1,086,739
Investment securities	4	3,507,169	3,509,487
		<u>4,740,371</u>	<u>4,596,226</u>
Current assets			
Inventory		67,500	2,635
Trade and other receivables	5	461,146	379,397
Fixed deposits with financial institutions		16,300,000	15,500,000
Cash at banks and in hand		1,449,724	2,246,353
		<u>18,278,370</u>	<u>18,128,385</u>
Total assets		<u>23,018,741</u>	<u>22,724,611</u>
Funds			
General Operating Fund		3,462,460	6,494,259
Expendable Endowment Fund		3,567,300	–
Specific Funds:			
- Capital Expenditure Fund		30,414	29,587
- Corporate Adoption Scheme Fund		2,717,409	2,643,994
- Investment Fund		–	543,770
- Restructuring Fund		11,739,231	11,422,045
Total funds		<u>21,516,814</u>	<u>21,133,655</u>
Non-current liabilities			
Deferred income	9	785,804	874,891
Current liabilities			
Other payables and accruals	6	716,123	716,065
Total liabilities		<u>1,501,927</u>	<u>1,590,956</u>
Total funds and liabilities		<u>23,018,741</u>	<u>22,724,611</u>

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

INCOME AND EXPENDITURE ACCOUNT

Year Ended 31 March 2008

Note	General Operating Fund		Specific Funds (note 8)		Total	
	2008	2007	2008	2007	2008	2007
	\$	\$	\$	\$	\$	\$
Income						
Government subvention and subsidy	949,644	839,791	-	-	949,644	839,791
Service fees	729,502	810,830	-	-	729,502	810,830
Fund raising projects	871,043	1,460,123	-	-	871,043	1,460,123
General donations	704,191	540,510	-	-	704,191	540,510
Donated assets	5,020	3,080	-	-	5,020	3,080
Interest income:						
- cash at bank and fixed deposits	436,505	477,953	-	-	436,505	477,953
- investment in notes and bonds	150,400	155,540	-	-	150,400	155,540
Less: Allocation to various funds	(406,547)	(445,673)	406,547	445,673	-	-
	180,358	187,820	406,547	445,673	586,905	633,493
Membership subscription	1,602	743	-	-	1,602	743
Amortisation of deferred income	175,405	154,258	-	-	175,405	154,258
Miscellaneous income	2,442	1,295	-	-	2,442	1,295
Gain on disposal of property, plant and equipment	483	-	-	-	483	-
Total income	3,619,690	3,998,450	406,547	445,673	4,026,237	4,444,123

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

INCOME AND EXPENDITURE ACCOUNT

Year Ended 31 March 2008

	General Operating Fund		Specific Funds (note 8)		Total	
	2008	2007	2008	2007	2008	2007
Note	\$	\$	\$	\$	\$	\$
Expenditure						
Staff costs:						
- wages and salaries	2,156,333	2,155,882	-	-	2,156,333	2,155,882
- contributions to defined contribution plans	223,710	172,636	-	-	223,710	172,636
- staff benefits	73,919	55,247	-	-	73,919	55,247
Fund raising projects	207,455	208,912	-	-	207,455	208,912
Transport	94,472	87,362	-	-	94,472	87,362
Supplies and materials	40,816	17,411	-	-	40,816	17,411
Property, plant and equipment written off	-	1,207	-	-	-	1,207
Community Networking and Volunteer Management	8,013	748	-	-	8,013	748
Rental	87,611	123,304	-	-	87,611	123,304
Maintenance fees:						
- vehicles	6,916	10,353	-	-	6,916	10,353
- equipment	6,860	13,120	-	-	6,860	13,120
- building	121,091	133,064	-	-	121,091	133,064
Administration expenses	137,526	123,458	-	-	137,526	123,458
Depreciation	258,039	241,991	-	-	258,039	241,991
General publicity	177,941	123,204	-	-	177,941	123,204
Goods and services tax	42,376	17,949	-	-	42,376	17,949
Total expenditure	3,643,078	3,485,848	-	-	3,643,078	3,485,848
(Shortfall)/Excess of income over expenditure for the year	(23,388)	512,602	406,547	445,673	383,159	958,275

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

STATEMENT OF CHANGES IN FUNDS

Year Ended 31 March 2008

	General Operating Fund \$	Expendable Endowment Fund \$	Capital Expenditure Fund \$	Corporate Adoption Scheme Fund \$	Investment Fund \$	Restructuring Fund \$	Total \$
At 1 April 2006	5,981,657	-	28,686	2,563,502	527,216	11,074,319	20,175,380
Excess of income over expenditure for the year	512,602	-	901	80,492	16,554	347,726	958,275
Total recognised income and expense for the year	512,602	-	901	80,492	16,554	347,726	958,275
At 31 March 2007	6,494,259	-	29,587	2,643,994	543,770	11,422,045	21,133,655
(Shortfall)/Excess of income over expenditure for the year	(23,388)	-	827	73,415	15,119	317,186	383,159
Total recognised income and expense for the year	(23,388)	-	827	73,415	15,119	317,186	383,159
Transfer of funds (note 8)	(3,008,411)	3,567,300	-	-	(558,889)	-	-
At 31 March 2008	3,462,460	3,567,300	30,414	2,717,409	-	11,739,231	21,516,814

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

CASH FLOW STATEMENTS

Year Ended 31 March 2008

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	2008 \$	2007 \$
Operating activities		
Excess of income over expenditure	383,159	958,275
Adjustments for:		
Depreciation of property, plant and equipment	258,039	241,991
Gain on disposal of property, plant and equipment	(483)	–
Property, plant and equipment written off	–	1,207
Interest income	(586,905)	(633,493)
Amortisation of deferred income	(175,405)	(154,258)
	<u>(121,595)</u>	<u>413,722</u>
Changes in working capital:		
Inventories	(64,865)	(2,290)
Trade and other receivables	(101,588)	498,741
Other payables and accruals	58	3,449
Community Assistance Fund	–	(755)
Cash flows from operating activities	<u>(287,990)</u>	<u>912,867</u>
Investing activities		
Purchase of property, plant and equipment	(405,037)	(155,233)
Proceeds from disposal of property, plant and equipment	1,018	–
Proceeds from redemption of investment securities	–	1,000,000
Interest income received	609,062	528,592
Cash flows from investing activities	<u>205,043</u>	<u>1,373,359</u>
Financing activities		
Proceeds from capital grant and donation	86,318	122,798
Cash flows from financing activities	<u>86,318</u>	<u>122,798</u>
Net increase in cash and cash equivalents	3,371	2,409,024
Cash and cash equivalents at beginning of year	17,746,353	15,337,329
Cash and cash equivalents at end of year *	<u>17,749,724</u>	<u>17,746,353</u>
* Cash and cash equivalents comprise:		
Cash at banks and in hand	1,449,724	2,246,353
Fixed deposits with financial institutions	16,300,000	15,500,000
	<u>17,749,724</u>	<u>17,746,353</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Foundation's Board of Management on 18 August 2008.

1 DOMICILE AND ACTIVITIES

Home Nursing Foundation (the Foundation) is registered as a Voluntary Welfare Organisation in accordance with the Societies Act, Chapter 311, and as an Exempt Charity under the Charities Act 1982.

The registered office of the Foundation is at 93 Toa Payoh Central, Toa Payoh Central Community Building, #07-01, Singapore 319194.

The principal objective of the Foundation, which is registered in the Republic of Singapore, is to provide home nursing services to the non-ambulant and aged sick in their own home.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except otherwise described below.

The financial statements are presented in Singapore dollars which is the Foundation's functional currency.

The preparation of financial statements in conformity with FRS 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 estimates are revised and in any future periods affected.

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

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on the straight-line basis so as to write off the cost of property, plant and equipment over their estimated useful lives as follows:

Motor vehicles	5 years
Furniture and fittings	5 years
Medical equipment	5 years
Office equipment	5 years
Building and renovation	30 years

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment securities

Investment securities comprise quoted bond and notes held by the Foundation. They are classified as debt securities held-to-maturity and stated at amortised cost less impairment losses as the Foundation has positive intent and ability to hold debt securities to maturity.

Inventory

Inventory consisting of consummables which are valued at the lower of cost or net realisable value. Cost is determined on the first-in, first-out basis.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Impairment

The carrying amounts of the Foundation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss is charged to the income and expenditure account.

An impairment loss is reversed only to the extent that 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.

Liabilities

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income and expenditure account as incurred.

Short-term compensated absences

The expected cost of employee benefits in the form of unutilised short-term compensated absences is recognised in the income and expenditure account.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred income

Deferred income represents deferred assets-related government grants and donation received and utilised for the purchase of depreciable assets. They are amortised to the income and expenditure account using the straight-line method and over the same periods in which the related assets are depreciated.

Funds

General Operating Fund

Income and expenditure relating to the main activities of the Foundation are accounted for through the General Operating Fund in the Statement of Income and Expenditure.

Expendable Endowment Fund

The Expendable Endowment Fund, which was established under the Foundation's by-laws on 23 January 2008, consists of:

1. All specific donations and gifts intended for the Expendable Endowment Fund;
2. All surplus of the General Operating Fund in excess of the operating expenditure of the past 1 year;
3. All surplus of the Investment Fund; and
4. Such other monies as the Board of Management may determine to transfer to the Expendable Endowment Fund.

The Expendable Endowment Fund is intended to generate investment income that can be used for the Foundation's activities.

Any interest, dividends and other income derived from the Expendable Endowment Fund shall be credited to the General Operating Fund. The Expendable Endowment Fund may be used for such purposes as may be approved by the Board of Management.

Capital Expenditure Fund

Donations designated by the donors for the purchase of ambulances or other major non-current assets, are taken to this account in the Statement of Income and Expenditure on Specific Funds.

Corporate Adoption Scheme Fund

Donations by sponsors for acquiring the right to name the adopted Function Hall for the period of sponsorship, under the Foundation's Corporate Adoption Scheme, are taken to the Corporate Adoption Scheme Fund in the Statement of Income and Expenditure on Specific Funds.

Investment Fund

Profit from realisation of investments is taken to the Investment Fund in the Statement of Income and Expenditure on Specific Funds.

NOTES TO THE FINANCIAL STATEMENTS

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Restructuring Fund

In line with the requirements given by the Ministry of Health in the restructuring of the Foundation into a voluntary welfare organisation, funds have been provided by the Ministry of Health to the Foundation to review its core services and build up its capabilities and facilities to fulfil its mission and objectives on a sustainable basis.

Revenue recognition

- (i) Service fee is recognised on completion of the services provided.
- (ii) Donations and income from fund raising projects are recognised as and when received, except for advance donations received. Donations received in advance for future fund raising projects are deferred and recognised as incoming resources as and when the fund raising projects are held.
- (iii) Government subvention is recognised in the income and expenditure account when services are performed.
- (iv) Interest income is recognised on an accrual basis.
- (v) All other income including membership subscriptions are recognised on an accrual basis.

Operating leases

Where the Foundation has the use of assets under operating leases, payments made under the leases are recognised in the income and expenditure account on a straight-line basis over the term of the lease.

3 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles \$	Furniture and fittings \$	Medical equipment \$	Office equipment \$	Building and renovation \$	Total \$
Cost						
At 1 April 2006	141,320	119,706	15,381	394,994	1,346,712	2,018,113
Additions	38,600	3,524	–	113,109	–	155,233
Write off/Disposals	(55,000)	–	–	–	(4,085)	(59,085)
At 31 March 2007	124,920	123,230	15,381	508,103	1,342,627	2,114,261
Additions	–	104,534	–	117,257	183,246	405,037
Write off/Disposals	–	–	(14,681)	(13,903)	–	(28,584)
At 31 March 2008	124,920	227,764	700	611,457	1,525,873	2,490,714

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles \$	Furniture and fittings \$	Medical equipment \$	Office equipment \$	Building and renovation \$	Total \$
Accumulated depreciation						
At 1 April 2006	140,064	69,121	14,909	233,705	385,610	843,409
Depreciation charge for the year	4,295	24,078	140	80,409	133,069	241,991
Write off/Disposals	(54,999)	–	–	–	(2,879)	(57,878)
At 31 March 2007	89,360	93,199	15,049	314,114	515,800	1,027,522
Depreciation charge for the year	7,985	23,926	137	97,492	128,499	258,039
Write off/Disposals	–	–	(14,676)	(13,373)	–	(28,049)
At 31 March 2008	97,345	117,125	510	398,233	644,299	1,257,512
Carrying amount						
At 1 April 2006	1,256	50,585	472	161,289	961,102	1,174,704
At 31 March 2007	35,560	30,031	332	193,989	826,827	1,086,739
At 31 March 2008	27,575	110,639	190	213,224	881,574	1,233,202

4 INVESTMENT SECURITIES

	2008 \$	2007 \$
Held-to-maturity:		
Quoted bonds, at amortised cost	3,507,169	3,509,487
Market value	3,665,270	3,627,640

The above investment securities represent investment in bonds issued by SP Power Assets Ltd, Land Transport Authority (LTA) and JTC Corporation and are listed on the Singapore Exchange Securities Trading Limited and are held primarily to provide an investment return for the Foundation.

NOTES TO THE FINANCIAL STATEMENTS

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5 TRADE AND OTHER RECEIVABLES

	2008 \$	2007 \$
Trade receivables	1,690	–
Subvention receivables	78,218	1,159
Interest receivable	257,571	277,410
Deposits	13,048	16,238
Prepayments	91,450	78,912
Other receivables	19,169	5,678
	<u>461,146</u>	<u>379,397</u>

6 OTHER PAYABLES AND ACCRUALS

	2008 \$	2007 \$
Accrued operating expenses	170,868	131,166
GST payable for prior years	–	96,096
Deposits	–	2,000
GST payable	9,418	11,230
Employee benefits	219,020	196,187
Other payables	103,475	38,812
Advance donations received (specific project)	213,342	240,574
	<u>716,123</u>	<u>716,065</u>

7 (I) FUND RAISING PROJECTS

	2008 \$	2007 \$
Tax-deductible donations	742,221	1,266,290
Others*	128,822	193,833
	<u>871,043</u>	<u>1,460,123</u>

(II) GENERAL DONATIONS

	2008 \$	2007 \$
Tax-deductible donations	671,142	531,362
Others*	33,049	9,148
	<u>704,191</u>	<u>540,510</u>

* The amounts consist mainly of donations from anonymous donors and donations for which tax deductible receipts are not issued.

8 SPECIFIC FUNDS

	Capital Expenditure Fund		Corporate Adoption Scheme Fund		Investment Fund		Restructuring Fund		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Income										
Interest earned	\$ 830	\$ 901	\$ 73,414	\$ 80,492	\$ 15,119	\$ 16,554	\$ 317,184	\$ 347,726	\$ 406,547	\$ 445,673
Excess of income over expenditure for the year	\$ 830	\$ 901	\$ 73,414	\$ 80,492	\$ 15,119	\$ 16,554	\$ 317,184	\$ 347,726	\$ 406,547	\$ 445,673

During the year, amounts of \$3,008,411 and \$558,889 were transferred from the General Operating Fund and Investment Fund, respectively to the Expendable Endowment Fund with the approval of the Ministry of Health.

NOTES TO THE FINANCIAL STATEMENTS

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9 DEFERRED INCOME

Included in deferred income is the following deferred assets-related government grants to finance the construction of the Foundation's premises.

	2008 \$	2007 \$
Deferred government grant	761,738	906,351
Less: amortised to income and expenditure account	(144,683)	(144,613)
	<u>617,055</u>	<u>761,738</u>

10 KEY MANAGEMENT PERSONNEL

For the purposes of these financial statements, parties are considered to be related to the Foundation if the Foundation 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 Foundation and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel of the Foundation are those persons having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The Board of Management and the senior management officers are considered as key management personnel of the Foundation.

Key management personnel compensation is as follows:

	2008 \$	2007 \$
Short-term employees benefits	<u>348,918</u>	<u>302,614</u>

The Board of Management is the final authority and is overall responsible for policy making and determination of all activities. They are volunteers and receive no monetary remuneration for their contribution.

11 EMPLOYEES' REMUNERATION

The number of employees (including key management personnel) whose remuneration amount to over \$50,000 in the year is as follows:

	2008	2007
Number of employees in bands:		
\$50,001 to \$100,000	13	16
\$100,001 to \$150,000	1	–
	<u>14</u>	<u>16</u>

12 TAXATION

The Foundation is an approved charitable institution under the Charities Act, Chapter 37 and an institute of public character under the Income Tax, Chapter 134. In the prior year, the Foundation was subject to Section 13M(2)(b) of the Income Tax Act, Chapter 134 and the conditions imposed by the Inland Revenue Authority of Singapore. The regulation was repealed during the current year. No provision for tax has been made in the financial statements as the Foundation is exempt from income tax.

13 FINANCIAL RISK MANAGEMENT

Exposure to credit and interest rate risks arises in the normal course of the Foundation's operations. The management of these risks is discussed below:

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Investments are only allowed with counterparties that are of high credit standing.

Fixed deposits and bank balances are placed with financial institutions of high credit standing.

At the balance sheet date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

The Foundation's exposure to market risk for changes in interest rates relates to the interest-earning cash and cash equivalents and investment securities. The effective rates at balance sheet date and the periods in which they mature or reprice (whichever is earlier) are as follows:

	2008			
	Effective interest rate %	Maturing/ reprice within 1 year \$	Maturing/ reprice 1 to 5 years \$	Maturing/ reprice after 5 years \$
Fixed deposits with financial institutions	1.56 – 2.56	16,300,000	–	–
Investment securities	3.73 – 5.00	–	3,507,169	–
2007				
	Effective interest rate %	Maturing/ reprice within 1 year \$	Maturing/ reprice 1 to 5 years \$	Maturing/ reprice after 5 years \$
Fixed deposits with financial institutions	2.80 – 3.44	15,500,000	–	–
Investment securities	3.73 – 5.00	–	2,501,916	1,007,571

Fair values

The fair values of investment securities are set out in Note 4 and are based on the bid prices at the balance sheet date. The carrying values of other financial assets and financial liabilities are an approximation to their fair values as they are mainly either short-term in nature, repriceable or repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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14 COMMITMENTS

As at 31 March 2008, the Foundation has capital commitments of \$68,205 (2007: \$126,750) that have been contracted but not provided for.

At 31 March 2008, the Foundation has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2008 \$	2007 \$
Payable:		
Within 1 year	17,395	53,016
After 1 year but within 5 years	11,970	20,706
	<u>29,365</u>	<u>73,722</u>

Such lease payments will be reimbursed by Ministry of Health.

15 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Foundation has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- FRS 1 (revised 2008) Presentation of Financial Statements
- FRS 23 (revised 2007) Borrowing Costs
- FRS 107 Financial Instruments: Disclosures and the amendment to FRS 1 Presentation of Financial Statements: Capital Disclosures
- FRS 108 Operating Segments
- INT FRS 112 Service Concession Arrangements
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 114 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

FRS 107 and amended FRS 1, which become mandatory for financial statements for the year ending 31 March 2009, will require extensive additional disclosures with respect to the Foundation's financial instruments and capital management. This standard does not have any impact on the recognition and measurement of the Foundation's financial statements.

Other than the above, the initial application of these standards (and their consequential amendments) and interpretations is not expected to have any material impact on the Foundation's financial statements. The Foundation has not considered the impact of accounting standards issued after the balance sheet date.

SUPPLEMENTARY INFORMATION

Fund Raising Projects

	General Donations \$	Direct Appeal \$	HNF Newsletter \$	Flag Day \$	Garage Sale \$	Awareness Programme \$	Volunteer Development and Recognition Programme \$	Seasons of Goodwill \$	Venonia Charity Drive @ Peoples' Park \$	Venonia Charity Drive @ Sago Street \$	Total \$
2008											
Income											
Donations	704,191	222,429	295,642	34,303	1,273	2,260	1,055	291,296	14,320	8,465	1,575,234
Expenditure											
Direct costs	7,394	48,152	38,704	1,019	1,273	7,192	1,055	103,049	338	6,674	214,850
Net surplus/(Deficit) after direct cost	696,797	174,277	256,938	33,284	-	(4,932)	-	188,247	13,982	1,791	1,360,384
Direct admin (expenses)*	132,168	33,057	48,736	6,313	-	935	-	35,707	2,652	340	259,908
Surplus/(Deficit) for the year	564,629	141,220	208,202	26,971	-	(5,867)	-	152,540	11,330	1,451	1,100,476

* Admin expenses are apportioned according to net surplus of projects.

SUPPLEMENTARY INFORMATION

Fund Raising Projects

2007	General Donations \$	Direct Appeal \$	HNF Newsletter \$	Flag Day \$	Mid Autumn Festival \$	30th Anniversary \$	Seasons of Goodwill \$	Venhonia Charity Buddha \$	Total \$
Income									
Donations	540,510	267,537	314,044	52,624	15,303	530,627	264,043	15,945	2,000,633
Expenditure									
Direct costs	357	48,257	29,452	2,298	2,829	56,945	67,688	1,443	209,269
Net surplus/ after direct cost	540,153	219,280	284,592	50,326	12,474	473,682	196,355	14,502	1,791,364
Direct admin (expenses*	58,933	23,924	31,050	5,491	1,361	51,681	21,423	1,582	195,445
Surplus for the year	481,220	195,356	253,542	44,835	11,113	422,001	174,932	12,920	1,595,919

* Admin expenses are apportioned according to net surplus of projects.





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