

FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

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

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

CORPORATE INFORMATION

REGISTRATION

Home Nursing Foundation (the Foundation) is registered as a Voluntary Welfare Organisation in accordance with the Societies Act, Chapter 311, and is an Institution of a Public Character (IPC) under the Charities Act (Chapter 37).

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

Mr Kong Mun Kwong

Mdm Ho Geok Choo

Board Members

Ms Doris Liew

Dr Phua Kai Hong

Ms Tham Moon Yee

Ms Genevieve Theseira

Mr Young Kuan Sing

Ms Joyce Ang Chin Lee

Mr Chee Hong Tat

AUDITORS

KPMG LLP

STATEMENT BY BOARD OF MANAGEMENT

In our opinion, the financial statements set out on pages 5 to 21 present fairly the state of affairs of the Foundation as at 31 March 2009 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

6 August 2009

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 2009, 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 5 to 21.

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.

INDEPENDENT AUDITORS' REPORT

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 2009 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 2009 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 LLP
Public Accountants and
Certified Public Accountants

Singapore
6 August 2009

BALANCE SHEET

AS AT 31 MARCH 2009

	Note	2009 \$	2008 \$
Non-current assets			
Property, plant and equipment	3	1,389,286	1,233,202
Investment securities	4	2,004,627	3,507,169
		<u>3,393,913</u>	<u>4,740,371</u>
Current assets			
Investment securities	4	1,500,224	–
Inventory		60,600	67,500
Trade and other receivables	5	313,938	461,146
Fixed deposits with financial institutions		15,300,000	16,300,000
Cash at banks and in hand		2,656,029	1,449,724
		<u>19,830,791</u>	<u>18,278,370</u>
Total assets		<u>23,224,704</u>	<u>23,018,741</u>
Funds			
General Operating Fund		3,503,555	3,462,460
Expendable Endowment Fund		3,489,438	3,567,300
Specific Funds:			
- Capital Expenditure Fund		–	30,414
- Corporate Adoption Scheme Fund		2,772,042	2,717,409
- Restructuring Fund		11,975,280	11,739,231
Total funds		<u>21,740,315</u>	<u>21,516,814</u>
Non-current liability			
Deferred income	6	995,976	785,804
Current liability			
Other payables and accruals	7	488,413	716,123
Total liabilities		<u>1,484,389</u>	<u>1,501,927</u>
Total funds and liabilities		<u>23,224,704</u>	<u>23,018,741</u>

INCOME & EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2009

	Note	General Operating Fund		Expendable Endowment Fund		Specific Funds (Note 10)		Total	
		2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Income									
Government subvention and subsidy		900,787	924,264	–	–	–	–	900,787	924,264
Service fees		625,023	729,502	–	–	–	–	625,023	729,502
General donations	8(i)	592,547	729,571	–	–	–	–	592,547	729,571
Donated assets		5,000	5,020	–	–	–	–	5,000	5,020
Fund raising projects	8(ii)	859,046	871,043	–	–	–	–	859,046	871,043
Interest income:									
- cash at bank and fixed deposits		282,673	436,505	–	–	–	–	282,673	436,505
- investment in bonds		149,982	150,400	–	–	–	–	149,982	150,400
Less: Allocation to various funds		(363,025)	(406,547)	71,955	–	291,070	406,547	–	–
		<u>69,630</u>	<u>180,358</u>	<u>71,955</u>	<u>–</u>	<u>291,070</u>	<u>406,547</u>	<u>432,655</u>	<u>586,905</u>
Membership subscription		150	1,602	–	–	–	–	150	1,602
Amortisation of deferred capital grant		103,606	175,405	–	–	–	–	103,606	175,405
Miscellaneous income		1,308	2,442	–	–	–	–	1,308	2,442
Gain on disposal of property, plant and equipment		1,367	483	–	–	–	–	1,367	483
Total income		<u>3,158,464</u>	<u>3,619,690</u>	<u>71,955</u>	<u>–</u>	<u>291,070</u>	<u>406,547</u>	<u>3,521,489</u>	<u>4,026,237</u>

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

INCOME & EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2009

Note	General Operating Fund		Expendable Endowment Fund		Specific Funds (Note 10)		Total		
	2009	2008	2009	2008	2009	2008	2009	2008	
	\$	\$	\$	\$	\$	\$	\$	\$	
Expenditure									
Staff costs:									
- wages and salaries	1,925,202	2,156,333	-	-	-	-	1,925,202	2,156,333	
- contributions to defined contribution plans	219,686	223,710	-	-	-	-	219,686	223,710	
- staff benefits	56,270	73,919	-	-	-	-	56,270	73,919	
Fund raising projects	197,486	207,455	-	-	-	-	197,486	207,455	
Transport	100,048	94,472	-	-	-	-	100,048	94,472	
Supplies and materials	62,867	40,816	-	-	-	-	62,867	40,816	
Property, plant and equipment written off	9,154	-	-	-	-	-	9,154	-	
Community networking and volunteer management	274	8,013	-	-	-	-	274	8,013	
Rental/operating lease expense	66,579	87,611	-	-	-	-	66,579	87,611	
Maintenance fees:									
- vehicles	5,785	6,916	-	-	-	-	5,785	6,916	
- equipment	10,691	6,860	-	-	-	-	10,691	6,860	
- building	113,539	121,091	-	-	-	-	113,539	121,091	
Administration expenses	116,642	137,526	-	-	-	-	116,642	137,526	
Depreciation	196,861	258,039	-	-	-	-	196,861	258,039	
General publicity	181,031	177,941	-	-	-	-	181,031	177,941	
Goods and services tax	35,873	42,376	-	-	-	-	35,873	42,376	
Total expenditure	3,297,988	3,643,078	-	-	-	-	3,297,988	3,643,078	
(Shortfall) /Excess of income over expenditure for the year	9	(139,524)	(23,388)	71,955	-	291,070	406,547	223,501	383,159

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

STATEMENT OF CHANGES IN FUND

YEAR ENDED 31 MARCH 2009

	General Operating Fund	Expendable Endowment Fund	Capital Expenditure Fund	Corporate Adoption Scheme Fund	Investment Fund	Restructuring Fund	Total
	\$	\$	\$	\$	\$	\$	\$
At 1 April 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 10)	(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
(Shortfall)/Excess of income over expenditure for the year	(139,524)	71,955	388	54,633	-	236,049	223,501
Total recognised income and expense for the year	(139,524)	71,955	388	54,633	-	236,049	223,501
Transfer of funds (note 10)	180,619	(149,817)	(30,802)	-	-	-	-
At 31 March 2009	3,503,555	3,489,438	-	2,772,042	-	11,975,280	21,740,315

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

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2009

	2009 \$	2008 \$
Operating activities		
Excess of income over expenditure	223,501	383,159
Adjustments for:		
Depreciation of property, plant and equipment	196,861	258,039
Gain on disposal of property, plant and equipment	(1,367)	(483)
Property, plant and equipment written off	9,154	–
Interest income	(432,654)	(586,905)
Amortisation of deferred income	(103,606)	(175,405)
	(108,111)	(121,595)
Changes in working capital:		
Inventories	6,900	(64,865)
Trade and other receivables	49,776	(101,588)
Other payables and accruals	(227,710)	58
Cash flows from operating activities	(279,145)	(287,990)
Investing activities		
Purchase of property, plant and equipment	(362,099)	(405,037)
Proceeds from disposal of property, plant and equipment	1,367	1,018
Interest income received	532,404	609,062
Cash flows from investing activities	171,672	205,043
Financing activity		
Proceeds from capital grant and donation	313,778	86,318
Cash flows from financing activity	313,778	86,318
Net increase in cash and cash equivalents	206,305	3,371
Cash and cash equivalents at beginning of year	17,749,724	17,746,353
Cash and cash equivalents at end of year *	17,956,029	17,749,724
* Cash and cash equivalents comprise:		
Fixed deposits with financial institutions	15,300,000	16,300,000
Cash at banks and in hand	2,656,029	1,449,724
	17,956,029	17,749,724

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

NOTES TO THE FINANCIAL STATEMENTS

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 6 August 2009.

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 Institution of a Public Character (IPC) under the Charities Act (Chapter 37).

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

2.1 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. The classification of investment requires significant judgement, refer to note 2.3.

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.

2.2 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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Investment securities

Investment securities comprise quoted debt securities 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.

2.4 Inventory

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

2.5 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.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

2.7 Impairment

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that assets.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income and expenditure account.

Impairment of non-financial assets

The carrying amounts of the Foundation's assets, other than inventory, 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. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income and expenditure account. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis. The impairment loss is charged to the income and expenditure account.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Impairment (Cont'd)

Impairment of non-financial assets (Cont'd)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

2.8 Liabilities

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

2.9 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.

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Funds (Cont'd)

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 the Capital Expenditure Fund 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.

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.

2.12 Revenue recognition

- (i) Service fee is recognised when services are rendered.
- (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 the right to receive payment is established when services are performed. Government subvention may be adjusted subsequently when the Government has reviewed and finalised the subvention paid and payable to the Foundation.
- (iv) Interest income is recognised on an effective interest basis.
- (v) All other income including membership subscriptions are recognised over the membership period on a straight line basis.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Government grants

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised upon receipt. Such grants are provided to defray the wage costs incurred by the Foundation and are offset against staff costs in the financial statements.

3 PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles \$	Furniture and fittings \$	Medical equipment \$	Office equipment \$	Building and renovation \$	Total \$
Cost						
At 1 April 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
Additions	25,919	4,535	–	308,180	23,465	362,099
Write off/Disposals	(86,320)	(20,222)	–	(16,615)	(113,838)	(236,995)
At 31 March 2009	64,519	212,077	700	903,022	1,435,500	2,615,818
Accumulated depreciation						
At 1 April 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
Depreciation charge for the year	9,274	23,539	136	91,206	72,706	196,861
Write off/Disposals	(85,838)	(18,684)	–	(15,529)	(107,790)	(227,841)
At 31 March 2009	20,781	121,980	646	473,910	609,215	1,226,532
Carrying amount						
At 1 April 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
At 31 March 2009	43,738	90,097	54	429,112	826,285	1,389,286

NOTES TO THE FINANCIAL STATEMENTS

4 INVESTMENT SECURITIES

	2009 \$	2008 \$
Held-to-maturity:		
Quoted bonds, at amortised cost		
- Non-current	2,004,627	3,507,169
- Current	1,500,224	-
	<u>3,504,851</u>	<u>3,507,169</u>
Market value	<u>3,588,833</u>	<u>3,665,270</u>

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. The bonds have fixed interest rates of 3.73% to 5% (2008: 3.73% to 5%) per annum and mature in one to four years.

The maximum exposure to credit risk of the bonds at the reporting date is the carrying amount.

5 TRADE AND OTHER RECEIVABLES

	2009 \$	2008 \$
Trade receivables	-	1,690
Subvention receivables	-	78,218
Interest receivable	160,139	257,571
Deposits	12,405	13,048
Prepayments	121,399	91,450
Other receivables	19,995	19,169
	<u>313,938</u>	<u>461,146</u>

The receivables are not past due more than 30 days. Based on historical default rates, the Foundation believes that no impairment allowance is necessary.

6 DEFERRED INCOME

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

	2009 \$	2008 \$
Deferred government grant	628,955	761,738
Less: amortised to income and expenditure account	(26,705)	(144,683)
	<u>602,250</u>	<u>617,055</u>

NOTES TO THE FINANCIAL STATEMENTS

7 OTHER PAYABLES AND ACCRUALS

	2009 \$	2008 \$
Accrued operating expenses	88,075	170,868
GST payable	7,539	9,418
Employee benefits	114,212	219,020
Other payables	72,769	103,475
Advance donations received (specific project)	205,818	213,342
	<u>488,413</u>	<u>716,123</u>

8 (i) GENERAL DONATIONS

	2009 \$	2008 \$
Tax-deductible donations	446,248	697,122
Others*	146,299	32,449
	<u>592,547</u>	<u>729,571</u>

(ii) FUND RAISING PROJECTS

	2009 \$	2008 \$
Tax-deductible donations	763,845	744,771
Others*	95,201	126,272
	<u>859,046</u>	<u>871,043</u>

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

9 (SHORTFALL)/EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR

The following item has been included in arriving at (shortfall)/excess of income over expenditure for the year:

	2009 \$	2008 \$
Government grants – Jobs Credit Scheme, offset against staff costs	<u>39,177</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

10 SPECIFIC FUNDS

	Capital Expenditure Fund		Corporate Adoption Scheme Fund		Investment Fund		Restructuring Fund		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income										
Interest earned	388	827	54,633	73,415	–	15,119	236,049	317,186	291,070	406,547
Excess of income over expenditure for the year	388	827	54,633	73,415	–	15,119	236,049	317,186	291,070	406,547

(i) Restructuring fund

The balance of funds provided by the Ministry of Health and amounts appropriated from the Foundation's General Operating Fund were \$3,756,293 (2008: \$3,682,252) and \$8,218,987 (2008: \$8,056,979) respectively.

(ii) Gross transfers between funds

In the previous 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.

During the year, amounts of \$180,619 and \$30,802 were transferred from the Expendable Endowment Fund to the General Operating Fund and from the Capital Expenditure Fund to the Expendable Endowment Fund respectively, with the approval from the Board Trustees and the Ministry of Health respectively.

11 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.

NOTES TO THE FINANCIAL STATEMENTS

11 KEY MANAGEMENT PERSONNEL (CONT'D)

Key management personnel compensation is as follows:

	2009	2008
	\$	\$
Wages, salaries and staff benefits	336,027	343,194
Contributions to defined contribution plans	37,788	38,331
	<u>373,815</u>	<u>381,525</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.

12 EMPLOYEES' REMUNERATION

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

	2009	2008
Number of employees in bands:		
\$50,001 to \$100,000	12	13
\$100,001 to \$150,000	1	1
	<u>13</u>	<u>14</u>
Total number of staff	<u>48</u>	<u>55</u>

13 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. The Foundation is exempt from income tax.

14 FINANCIAL RISK MANAGEMENT

The reserves that the Foundation sets aside is to provide financial stability and the means for the development of its principal objectives. The Board of Management regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Foundation's continuing obligations.

Exposure to credit, interest rate and liquidity 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.

NOTES TO THE FINANCIAL STATEMENTS

14 FINANCIAL RISK MANAGEMENT (CONT'D)

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 interest rates of fixed deposits range from 0.7% to 1.68% (2008: 1.56% to 2.56%) per annum and mature within 1 year.

Sensitivity analysis

For the variable rate financial assets, it is estimated that an increase of 100 basis points (bp) in interest rate at the reporting date would increase the surplus by approximately \$153,000 (2008: \$163,000). A decrease in 100bp in interest rate would have an equal but opposite effect. The analysis assumes that all other variables remain constant.

Liquidity risk

The Foundation monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Foundation's operations and to mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash flows of financial liabilities:

	Carrying amount	Contractual cash flows	
		Total	Within 1 year
2009	\$	\$	\$
Other payables and accruals*	168,383	168,383	168,383
	Carrying amount	Total	Within 1 year
2008	\$	\$	\$
Other payables and accruals*	283,761	283,761	283,761

* excludes employee benefits and advance donations received

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

15 COMMITMENTS

At 31 March 2009, the Foundation has capital commitments of \$48,948 (2008: \$68,205) that have been contracted but not provided for.

At 31 March 2009, the Foundation has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2009	2008
	\$	\$
Payable:		
Within 1 year	47,938	71,090
After 1 year but within 5 years	8,778	56,716
	<u>56,716</u>	<u>127,806</u>

Such lease payments will be reimbursed by Ministry of Health.

16 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*
- Amendments to FRS 32 *Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 102 *Share-based Payment – Vesting Conditions and Cancellations*
- FRS 108 *Operating Segments*
- Improvements to FRSs 2008
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*
- INT FRS 117 *Distribution of Non-Cash Assets to Owners*

NOTES TO THE FINANCIAL STATEMENTS

16 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

FRS 1 (revised 2008) will become effective for the Foundation's financial statements for the year ending 31 March 2010. The revised standard requires an entity to present, in a statement of changes in funds, all owner changes in funds. All non-owner changes in funds (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in funds. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Foundation's financial position or results.

Improvements to FRSs 2008 will become effective for the Foundation's financial statements for the year ending 31 March 2010, except for the amendment to FRS 105 Non-current Assets Held for Sale and Discontinued Operations which will become effective for the year ending 31 March 2011. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Foundation is in the process of assessing the impact of these amendments.

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 AND DONATIONS

	General Donations	Direct Appeal	HNF Newsletter	Flag Day	Charity Golf	Seasons of Goodwill	Venhonia Charity Drive @ Peoples' Park	Venhonia Charity Drive @ Sago Street	Total
2009	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income									
Donations	592,547	252,475	213,486	18,067	63,300	296,350	13,444	1,924	1,451,593
Expenditure									
Direct costs	70,061	48,804	39,983	637	31,232	77,120	47	(337)	267,547
Net surplus after direct cost	522,486	203,671	173,503	17,430	32,068	219,230	13,397	2,261	1,184,046
Direct admin expenses*	82,102	32,004	27,264	2,739	5,039	34,449	3,008	695	187,300
Surplus for the year	440,383	171,667	146,239	14,691	27,029	184,781	10,389	1,566	996,745

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

FUND RAISING PROJECTS

	General Donations	Direct Appeal	HNF Newsletter	Flag Day	Garage Sale	Awareness Program	Volunteer Development and Recognition Program	Seasons of Goodwill	Venhonia Charity Drive @ Peoples' Park	Venhonia Charity Drive @ Sago Street	Total
2008	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income											
Donations	729,571	222,429	295,642	34,303	1,273	2,260	1,055	291,296	14,320	8,465	1,600,614
Expenditure											
Direct costs	37,649	48,152	38,704	1,019	1,273	7,192	1,055	103,049	338	6,674	245,105
Net surplus/ (deficit) after direct cost	691,922	174,277	256,938	33,284	-	(4,932)	-	188,247	13,982	1,791	1,355,509
Direct admin expenses*	114,583	28,694	42,305	5,480	-	812	-	30,995	3,289	884	227,042
Surplus/ (Deficit) for the year	577,339	145,583	214,633	27,804	-	(5,744)	-	157,252	10,693	907	1,128,467

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



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