

**BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)
(IPC NO. IPC000210)**

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2011**

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)
(IPC NO. IPC000210)

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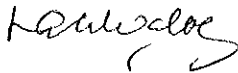
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BISHAN HOME FOR THE INTELLECTUALLY DISABLED
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STATEMENT BY THE BOARD OF DIRECTORS

In the opinion of the Board of Directors, the financial statements of Bishan Home for the Intellectually Disabled (the "Home") set out on page 3 to 23 are properly drawn up, so as to give a true and fair view of the state of affairs of the Home as at 31 March 2011 and the financial activities, changes in funds and cash flows for the financial year ended on that date.

On behalf of the Board of Directors,



Mr. Lau Wah Ming
Hon. Chairman



Mr. Tan Jack Pin
Hon. Treasurer

Singapore, 11 AUG 2011

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)
(IPC NO. IPC000210)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BISHAN HOME FOR THE INTELLECTUALLY DISABLED**

Report on the Financial Statements

We have audited the accompanying financial statements of Bishan Home for the Intellectually Disabled (the "Home"), which comprise the balance sheet as at 31 March 2011, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Home for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 3 to 23.

Management's Responsibility for the Financial Statements

The Board of Directors of the Home (the "Board") is responsible for the preparation of financial statements that give a true and fair view in accordance with the Statement of Recommended Accounting Practice ("RAP 6") and Singapore Financial Reporting Standards and for 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 statement of financial activities and balance sheet and to maintain accountability of assets.

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 about 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 Home's preparation of the financial statements that give a true and fair view 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 Home's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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.

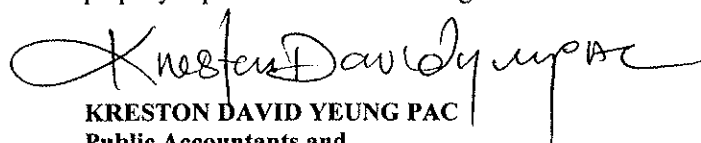
Opinion

In our opinion, the financial statements of the Home are properly drawn up in accordance with the Statement of Recommended Accounting Practice ("RAP 6") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Home as at 31 March 2011 and the financial activities, changes in funds and cash flows of the Home for the year ended on that date.

Report on Other Legal and Regulatory Requirements

During the course of our audit, nothing came to our attention that caused us to believe that the use of donation money received is not in accordance with the Home's objectives.

In our opinion, the accounting and other records required by the above regulations to be kept by the Home have been properly kept accordance with the regulations.



KRESTON DAVID YEUNG PAC
Public Accountants and
Certified Public Accountants

Singapore, 11 AUG 2011

128A Tanjong Pagar Road, Singapore 088535
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BISHAN HOME FOR THE INTELLECTUALLY DISABLED
(UEN: T07SS0102D)
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BALANCE SHEET
As at 31 March 2011

	Note	2011 S\$	2010 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,657,726	5,576,564
Current assets			
Programme fees in arrears	4	6,736	9,920
Grant receivables		69,251	65,172
Other receivables		1,906	-
Deposits		16,081	14,449
Prepayments		9,579	10,377
Cash and cash equivalents	5	2,561,876	2,183,886
Total current assets		2,665,429	2,283,804
Total assets		8,323,155	7,860,368
FUNDS AND LIABILITIES			
<u>Unrestricted funds</u>			
General fund		2,200,769	1,955,801
Sinking fund		400,000	400,000
<u>Restricted fund</u>			
Deferred capital donations	6	5,459,745	5,323,538
Total funds		8,060,514	7,679,339
Current liabilities			
Programme fees received in advance		2,480	3,470
Deposits received		67,560	67,680
Accruals		74,916	36,727
Other payables	7	117,685	73,152
Total liabilities		262,641	181,029
Total funds and liabilities		8,323,155	7,860,368

The notes set out on pages 8 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
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(IPC NO. IPC000210)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 March 2011

		<---Unrestricted Funds--->			
	Note	Residential Home S\$	Day Activity Centre S\$	Restricted Fund S\$	2011 Total S\$
<u>Incoming resources</u>					
Income resources from generated funds:					
Voluntary income					
Deferred capital donations/grants	6	-	-	382,976	382,976
Deferred herbs and spice grant	6	-	-	6,600	6,600
Donations in cash	8	52,479	-	-	52,479
Investment income	9	1,891	264	-	2,155
Income resources from charitable activities:					
Programme fees		323,263	-	-	323,263
Daycare collection		-	47,556	-	47,556
Government subvention grants		1,580,618	93,903	-	1,674,521
Transport income		-	9,213	-	9,213
Sundry income		22,447	4,118	-	26,565
Other incoming resources		5,491	564	-	6,055
Total income resources		1,986,189	155,618	389,576	2,531,383
Less: Resources expended					
Charitable activities expenses:					
Activities and outings		7,956	548	-	8,504
Day activity centre		-	13	-	13
Food and marketing		151,585	7,050	-	158,635
Staff costs	10	981,832	77,702	-	1,059,534
Nursing supplies and medical services		54,976	-	-	54,976
Transportation		13,599	17,436	-	31,035
Information technology		9,200	1,284	-	10,484
Others		8,439	-	-	8,439
Total charitable activities expenses		1,227,587	104,033	-	1,331,620
Governance costs	11	464,844	58,472	389,576	912,892
Other operating and administration expenses	12	38,549	3,354	-	41,903
Total resources expended		(1,730,980)	(165,859)	(389,576)	(2,286,415)
Net income/(outgoing) resources before other gains and losses		255,209	(10,241)	-	244,968
Less: Other recognised gain/loss		-	-	-	-
Net surplus for the year		255,209	(10,241)	-	244,968

The notes set out on pages 8 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED
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STATEMENT OF FINANCIAL ACTIVITIES (Continued)
For the financial year ended 31 March 2011

		<---Unrestricted Funds--->			
		Residential Home S\$	Day Activity Centre S\$	Restricted Funds S\$	2010 Total S\$
<u>Incoming resources</u>	Note				
Income resources from generated funds:					
Voluntary income					
Deferred capital donations/grants	6	-	-	340,916	340,916
Deferred Herbs and spice grant	6	-	-	5,700	5,700
Donations in cash	8	81,367	-	-	81,367
Investment income	9	3,458	456	-	3,914
Income resources from charitable activities:					
Programme fees		329,624	-	-	329,624
Daycare collection		-	36,077	-	36,077
Government subvention grants		1,559,822	92,840	-	1,652,662
Transport income		-	8,088	-	8,088
Sundry income		28,033	4,071	-	32,104
Other incoming resources		41,428	8,441	-	49,869
Total income resources		2,043,732	149,973	346,616	2,540,321
Less: Resources expended					
Charitable activities expenses:					
Activities and outings		6,702	445	-	7,147
Food and marketing		142,965	5,773	-	148,738
Staff costs	10	873,528	79,410	-	952,938
Nursing supplies and medical services		55,335	-	-	55,335
Transportation		12,782	17,161	-	29,943
Information technology		9,527	1,256	-	10,783
Others		9,711	-	-	9,711
Total charitable activities expenses		1,110,550	104,045	-	1,214,595
Governance costs	11	413,223	51,070	346,616	810,909
Other operating and administration expenses	12	32,708	1,343	-	34,051
Total resources expended		(1,556,481)	(156,458)	(346,616)	(2,059,555)
Net income/(outgoing) resources before other gains and losses		487,251	(6,485)	-	480,766
Less: Other recognised loss					
Loss on disposal of plant and equipment		(8)	-	-	(8)
Net surplus for the year		487,243	(6,485)	-	480,758

The notes set out on pages 8 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

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STATEMENT OF CHANGES IN FUNDS
For the year ended 31 March 2011

	General fund S\$	Sinking Fund S\$	Deferred Capital Donation/Grants S\$	Total S\$
Balance as at 01.04.2009	1,475,043	400,000	5,476,799	7,351,842
Additions during the year	-	-	193,355	193,355
Amortisation during the year	-	-	(346,616)	(346,616)
Net surplus for the year	480,758	-	-	480,758
Balance as at 31.03.2010/01.04.2010	1,955,801	400,000	5,323,538	7,679,339
Additions during the year	-	-	525,783	525,783
Amortisation during the year	-	-	(389,576)	(389,576)
Net surplus for the year	244,968	-	-	244,968
Balance as at 31.03.2011	2,200,769	400,000	5,459,745	8,060,514

(Note 6)

The notes set out on pages 8 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

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STATEMENT OF CASH FLOWS
For the year ended 31 March 2011

	2011 S\$	2010 S\$
Cash flows from operating activities		
Net surplus for the year	244,968	480,758
Adjustments for:-		
Allowance for doubtful debts	6,845	2,966
Deferred capital donations/grants	(389,576)	(346,616)
Depreciation of property, plant and equipment	468,082	428,920
Loss on disposal of plant and equipment	-	8
Interest income	(2,155)	(3,914)
Operating surplus before working fund changes	<u>328,164</u>	<u>562,122</u>
Changes in working fund:-		
Increase in other receivables	(10,480)	(24,449)
Increase in other payables	81,612	14,805
Net cash generated from operating activities	<u>399,296</u>	<u>552,478</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(549,244)	(245,449)
Interest received	2,155	3,914
Net cash used in investing activities	<u>(547,089)</u>	<u>(241,535)</u>
Cash flows from financing activity		
Capital donations received (Note 6)	525,783	188,355
Net increase in cash and cash equivalents	377,990	499,298
Cash and cash equivalents at beginning of year	<u>2,183,886</u>	<u>1,684,588</u>
Cash and cash equivalents at end of year (Note 5)	<u>2,561,876</u>	<u>2,183,886</u>

The notes set out on pages 8 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

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

1. GENERAL

Bishan Home for The Intellectually Disabled (the “Home”) is registered in the Republic of Singapore under the Societies Act and the Charities Act.

The principal activities of the Home are to provide a place of residence and care for the intellectually disabled.

The registered office and principal place of the Home is located at 6 Bishan Street 13, Singapore 579798.

The financial statements of the Home are expressed in Singapore dollars (SGD or S\$).

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Home have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Statement of Recommended Accounting Practice (“RAP 6”) and Singapore Financial Reporting Standards (“FRS”) including its Interpretations.

In the current financial year, the Home has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for the annual periods beginning on or after 1 April, 2010. The adoptions of these new/revised FRSs and INT FRSs have no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Home’s accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Critical assumptions used and accounting estimates in applying accounting policies

Useful lives of property, plant and equipment

As described in Note 2(c), the Home reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the management's estimation of the periods that the Home intends to derive future economic benefits from the use of the Home's property, plant and equipment.

The carrying amount of property, plant and equipment at the end of the reporting period are disclosed in Note 3 to the financial statements.

Critical judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Allowance for bad and doubtful debts

Allowance for bad and doubtful debts of the Home is based on an evaluation of the collectibility of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including their current creditworthiness, past collection history of each resident and ongoing dealings with them. If the financial conditions of the counterparties with which the Home contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

Impairment of property, plant and equipment

The Home assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Property, Plant and Equipment

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

Depreciation is calculated on a straight-line method so as to write off the costs over the estimated useful live of the property, plant and equipment as follows: -

Leasehold property	30 years
Computer	3 years
Equipment	5 years
Furniture and fittings	5 – 10 years
Motor vehicles	10 years
Renovation	10 years
Herbs and spice garden	5 years

Fully depreciated property, plant and equipment are still retained in the financial statements until they are no longer in use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of financial activities in the year the asset is derecognised.

d) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, cash at bank and fixed deposits which form part of the Home's cash management that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Assets

Classification

The Home classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Home provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables consist of cash and cash equivalents and other receivables including programme fees in arrears and grant receivable.

Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Home has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

An allowance for impairment of loans and receivables is established when there is objective evidence that the Home will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

f) Capital Donations/Grants

Donations/grants received for property, plant and equipment are credited to a designated fund. These donations/grants are amortised to the statement of financial activities over the estimated useful life of the related property, plant and equipment on a straight-line basis (Note 2 (c)).

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Sinking Fund

The sinking fund is an unrestricted designated fund sets aside by the Home to finance major repair activities of the Home as and when necessary.

h) Financial Liabilities

Financial liabilities include accruals and other payables. Financial liabilities are recognised on the statement of financial position when, and only when, the Home becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

For financial liabilities other than derivatives, gains and losses are recognised in the statement of financial activities when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of financial activities.

i) Foreign Currency

Functional and presentation currency

Items included in the financial statements of the Home are measured using the currency of the primary economic environment in which the Home operates (“functional currency”). The financial statements of the Home are presented in Singapore dollars, which is the Home’s functional currency.

Transactions and balances

Transactions in foreign currencies are measured and recorded in Singapore dollars at the exchange rate in effect at the date of transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at the end of the reporting period. All realised and unrealised differences are taken to the statement of financial activities.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Home and the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

Revenue is recognised on the following basis:-

- (i) Income from fees collected is accounted for on an accrual basis.
- (ii) Donations are recognised when monies are received.
- (iii) Recurrent funds are taken up on an accrual basis. Based on the funding principles, accruals are accounted for any over/under funding payable to/from the Government.
- (iv) Interest is recognised using effective interest method.

k) Government Subvention

Government subvention is recoverable from the Ministry of Community Development, Youth and Sports (MYCS) when there is reasonable assurance that the conditions attaching to it will be complied with and the subvention will be received.

Government subvention in the form of recurrent funds is recognised as income in the financial statements in the year on which the related activities are performed.

l) Key Management Personnel

Key management personnel of the Home are those having authority and responsibility for planning, directing and controlling the activities of the Home. The chief executive officer, the matron and accountant are considered as key management personnel.

m) Employee Benefits

Defined Contribution Plans

As required by law, the Home 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.

Employee Leave Entitlement

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Impairment of Non-Financial Assets

The Home assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Home makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. 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 and the risks specific to the asset. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in statement of financial activities as 'impairment losses' or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for that same asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the statement of financial activities unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the other comprehensive income is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

o) Provisions

Provisions are recognised when the Home has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Provisions (Continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) Contingent Liabilities and Assets

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event(s) not wholly within the control of the Home.

Contingent liabilities and assets are not recognised on the balance sheet of the Home.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

3. PROPERTY, PLANT AND EQUIPMENT

	<u>Leasehold property</u> S\$	<u>Motor vehicles</u> S\$	<u>Computers</u> S\$	<u>Equipment</u> S\$	<u>Furniture and fittings</u> S\$	<u>Renovation</u> S\$	<u>Herbs & Spice garden</u> S\$	<u>Total</u> S\$
<u>Cost</u>								
At 01.04.2009	8,220,293	90,506	52,159	573,300	576,474	566,464	20,300	10,099,496
Additions	-	58,765	12,049	164,189	7,100	-	8,346	250,449
Disposal	-	-	(280)	-	-	-	-	(280)
At 31.3.2010/01.04.2010	8,220,293	149,271	63,928	737,489	583,574	566,464	28,646	10,349,665
Additions	-	-	-	9,308	-	539,529	407	549,244
At 31.03.2011	8,220,293	149,271	63,928	746,797	583,574	1,105,993	29,053	10,898,909
<u>Accumulated depreciation</u>								
At 01.04.2009	3,124,880	57,992	41,571	399,598	548,744	165,916	5,752	4,344,453
Charge for the year	274,010	6,494	8,382	67,016	10,643	56,646	5,729	428,920
Disposal	-	-	(272)	-	-	-	-	(272)
At 31.3.2010/01.04.2010	3,398,890	64,486	49,681	466,614	559,387	222,562	11,481	4,773,101
Charge for the year	274,010	3,034	7,323	83,464	9,979	84,543	5,729	468,082
At 31.03.2011	3,672,900	67,520	57,004	550,078	569,366	307,105	17,210	5,241,183
<u>Net book value</u>								
At 31.03.2011	4,547,393	81,751	6,924	196,719	14,208	798,888	11,843	5,657,726
At 31.03.2010	4,821,403	84,785	14,247	270,875	24,187	343,902	17,165	5,576,564

Depreciation expense charged to the statement of financial activities is included in governance costs (Note 11).

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4. PROGRAMME FEES IN ARREARS

	2011	2010
	S\$	S\$
Programme fees in arrears	33,042	29,381
Less: Allowance for doubtful receivables	<u>(26,306)</u>	<u>(19,461)</u>
	<u>6,736</u>	<u>9,920</u>
 <u>Analysis of impairment for doubtful receivables</u>		
Balance at beginning of year	19,461	16,495
Allowance charged to statement of financial activities (Note 12)	<u>6,845</u>	<u>2,966</u>
Balance at end of year	<u>26,306</u>	<u>19,461</u>

Programme fees receivables are due within 30 days which is billed on monthly basis.

The Home does not charge any interest, unless otherwise stated. Programme fees in arrears include an amount of S\$2,281 (2010: S\$5,110) which are past due at the end of the reporting period but not impaired. The table below is an aging analysis of programme fees in arrears as at the end of the reporting period:-

	Allowance for doubtful receivables		Allowance for doubtful receivables	
	Gross 2011 S\$	2011 S\$	Gross 2010 S\$	2010 S\$
Not past due	5,315	(860)	5,230	(420)
Past due: -				
- 1 to 30 days	2,201	(860)	2,750	(420)
- 31 to 60 days	1,480	(1,060)	1,728	(420)
- over 60 days	24,046	(23,526)	19,673	(18,201)
	<u>27,727</u>	<u>(25,446)</u>	<u>24,151</u>	<u>(19,041)</u>
	<u>33,042</u>	<u>(26,306)</u>	<u>29,381</u>	<u>(19,461)</u>

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5. CASH AND CASH EQUIVALENTS

	2011	2010
	S\$	S\$
Cash on hand	15,636	19,802
Cash at bank	932,613	1,336,631
Fixed deposits	1,613,627	827,453
	<u>2,561,876</u>	<u>2,183,886</u>

The fixed deposits are placed with reputable financial institution for varying periods of between 2 to 24 months tenures depending on the immediate cash requirement of the Home and earn interest at rates ranging from 0.1% to 1.30% (2010: 0.1% to 0.48%) per annum.

6. DEFERRED CAPITAL DONATIONS/GRANTS

	2011	2010
	S\$	S\$
Balance at beginning of year	5,323,538	5,476,799
Amount received during the year	525,783	193,355
	5,849,321	5,670,154
Less: Transfer to statement of financial activities		
- Leasehold property	274,010	274,010
- Other fixed assets	115,566	72,606
	<u>(389,576)</u>	<u>(346,616)</u>
Balance at end of year	<u>5,459,745</u>	<u>5,323,538</u>

A net carrying value of S\$15,600 (2010: S\$22,200) relates to funds specifically for the initialising and maintenance of Herbs and Spice Garden within the Home.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

7. OTHER PAYABLES

	2011	2010
	S\$	S\$
Trade creditors	45,458	15,676
Staff saving	18,940	17,200
Amount due to snack shop	11	11
Cash held for residents	39,735	31,920
Advance from residents	13,541	8,345
	<u>117,685</u>	<u>73,152</u>

8. DONATIONS IN CASH

Tax exempt donations	50,711	76,149
Other donations	1,768	5,218
	<u>52,479</u>	<u>81,367</u>

9. INVESTMENT INCOME

Interest income	201	259
Fixed deposit income	1,954	3,655
	<u>2,155</u>	<u>3,914</u>

10. STAFF COSTS

Salaries and wages	694,496	710,661
Bonuses	153,486	60,614
CPF contribution	57,707	49,467
Foreign worker levy	113,851	98,853
Recruitment fee	5,462	4,746
Training fee	10,876	5,581
Staff welfare	17,103	23,016
Uniform	6,553	-
	<u>1,059,534</u>	<u>952,938</u>

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11. GOVERNANCE COSTS

	2011	2010
	S\$	S\$
Administrative staff costs: -		
- Salaries and wages	134,177	121,472
- Bonuses	38,678	11,076
- CPF contribution	17,989	14,556
Auditors' remuneration	3,584	3,959
Depreciation of property, plant and equipment (inclusive restricted fund)	468,082	428,920
General maintenance expenses	65,130	65,661
Insurances	23,380	23,960
Other costs	213	7,961
Property maintenance	2,508	1,937
Registration fee	279	110
Telecommunication	5,755	5,467
Utilities	153,117	125,830
	<u>912,892</u>	<u>810,909</u>

12. OTHER OPERATING AND ADMINISTRATION EXPENSES

	2011	2010
	S\$	S\$
Allowance for doubtful debts (Note 4)	6,845	2,966
Anniversary celebration	7,670	6,630
Bank charges	643	472
Non-capital assets	17,735	14,570
Other general expenses	1,384	118
Printing and stationery	6,463	8,312
Refreshment	1,163	983
	<u>41,903</u>	<u>34,051</u>

13. TAXATION

The Home has been registered as a charity under the Charities Act and is exempted from income tax for the financial year under the provisions of the Income Tax Act Cap. 134. Hence, no provision for tax liabilities has been made in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

14. ANNUAL REMUNERATION OF KEY MANAGEMENT

	2011	2010
	S\$	S\$
Key management personnel compensation:-		
- Salaries and bonus	209,815	179,380
- CPF contribution	20,211	16,912
	<u>230,026</u>	<u>196,292</u>

Key management compensation for the year are included in staff costs (Note 10) and governance costs (Note 11).

Number of key management in remuneration bands: -

	<u>Total number of Management Staff</u>	
	2011	2010
- Below S\$50,000	1	1
- Between S\$50,000 and S\$100,000	2	2
	<u>2</u>	<u>2</u>

Key management personnel comprise the chief executive officer, the matron and accountant.

15. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Home does not have written risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy. To mitigate any financial risk exposures or losses, the Home may adopt the appropriate measures including the use of other financial instruments as and when considered necessary.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Home. The Home has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Home does not expect to incur material credit losses on its financial assets.

The Home has no major concentrations of credit risk.

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15. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

Credit Risk (Continued)

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors. Cash and cash equivalents that are neither past due nor impaired are placed with financial institutions licenced by the Monetary Authority of Singapore.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 4 to the financial statements.

Foreign Currency Risk

The Home is not exposed to foreign currency risk as all of its transactions are denominated in Singapore Dollars.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Home's financial instruments will fluctuate because of changes in market interest rates. The Home's interest rate exposure relates primarily to its investment portfolio in fixed deposits. As at the end of the reporting period, the Home is not significantly exposed to interest rate risk.

Sensitivity analysis is not performed as the impact to the financial statements is insignificant.

Liquidity Risk

The Home monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Home's operations and mitigate the effect of any unexpected fluctuations in cash flows. The maturity profile of the Home's financial liabilities is within the next 12 months after the end of the reporting period.

16. FAIR VALUE

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2011

17. RESERVE POLICY

The following table sets out the reserve position as at the end of the reporting period:-

	2011 S\$	2010 S\$
Unrestricted funds (*Reserves)	<u>2,600,769</u>	<u>2,355,801</u>
Ratio of *Reserves to total operating expenditure	<u>1.14 : 1</u>	<u>1.14 : 1</u>

The Home's policy is aim to build its reserves to at least three times of its total annual operating expenditure. This conservative policy is necessitated by the need to provide a buffer in the face of anticipated fall in revenue against likely cost increases due to inflationary and/or market pressures. Revenue is expected to decline within the next few years as the Home is currently operating at virtually full resident capacity and increasing inability/difficulty in collecting programme fees from ageing parents (77 {2010: 69} per cent of the Home's residents are aged 40 years and above). The Board annually reviews the amount of reserves that are required to ensure that they are adequate to fulfill the Home's continuing obligations.

18. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial assets and financial liabilities as at the end of the reporting period:-

	2011 S\$	2010 S\$
<u>Financial Assets</u>		
Loans and receivables: -		
Programme fees in arrears	6,736	9,920
Grant receivable	69,251	65,172
Other receivables and deposits	17,987	14,449
Cash and bank balances	<u>2,561,876</u>	<u>2,183,886</u>
Total financial assets	<u>2,655,850</u>	<u>2,273,427</u>
<u>Financial Liabilities</u>		
At amortised cost: -		
Programme fees received in advance	2,480	3,470
Deposits received	67,560	67,680
Accruals and other payables	<u>192,601</u>	<u>109,879</u>
Total financial liabilities	<u>262,641</u>	<u>181,029</u>

19. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Home for the financial year ended 31 March 2011 were authorised for issue in accordance with a resolution of the Board of Directors dated 11 August 2011.