

**ADVENTIST HOME FOR THE ELDERS**  
(Society Registration Number: 0139/1980WEL)

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**



26 Eng Hoon Street Singapore 169776  
Tel: 6533 7393 Fax: 6533 6832 (Audit) 6533 6831 (Admin) Email : [audit1@tanchan-cpa.com](mailto:audit1@tanchan-cpa.com)  
Website : [www.tanchan-cpa.com](http://www.tanchan-cpa.com)

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# ADVENTIST HOME FOR THE ELDERS

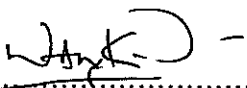
## STATEMENT BY THE BOARD OF MANAGEMENT

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On behalf of the Members of the Board of Management of **ADVENTIST HOME FOR THE ELDERS** (the "Home"), we, being the Chairman and Vice Treasurer respectively, do hereby state that, in our opinion;

- (a) the accompanying statement of financial position, income and expenditure statement, statement of changes in funds and statement of cash flows together with the notes thereto are properly drawn up in accordance with the provisions of the Societies Act 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 December 2009** and of the results, changes in funds and cash flows of the Home for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts as and when they fall due.

For and on behalf of the Board of Management

  
.....  
Wan Kwong Weng  
Chairman

  
.....  
Yeoh Keng Swee  
Vice Treasurer

Singapore

Date: 22 March 2010

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**ADVENTIST HOME FOR THE ELDERS**

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We have audited the accompanying financial statements of the **ADVENTIST HOME FOR THE ELDERS** (the "Home"), which comprise the statement of financial position as at **31 December 2009**, the income and expenditure statement, statement of changes in funds and statement of cash flows for the year ended **31 December 2009**, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 15.

***Board of Management's responsibility for the financial statements***

The Members of the Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act and Singapore Financial Reporting Standards. Thus responsibilities includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, 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 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 Home's internal control. An audit also includes evaluating the appropriateness of accounting policies and reasonableness of accounting estimates made by the Management Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

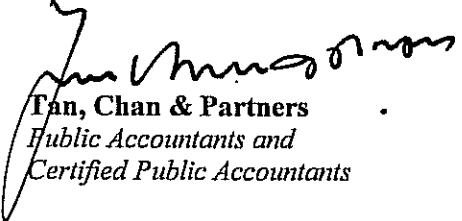
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**ADVENTIST HOME FOR THE ELDERS**

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***Opinion***

In our opinion,

- (a) the financial statements of the Home are properly drawn up in accordance with the provision of the Societies Act 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 December 2009 and the results, changes in funds and cash flows of the Home for the year then ended on that date; and
- (b) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Home have been properly kept in accordance with the By-laws of the Home and the provisions of the Societies Act.

  
**Tan, Chan & Partners**  
*Public Accountants and*  
*Certified Public Accountants*

Singapore

Date: 22 March 2010

Ref: 30 – 1921/HSY

**ADVENTIST HOME FOR THE ELDERS**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
<b>Equity</b>			
Accumulated fund		591,872	510,305
Maintenance and development fund	3	41,874	41,874
		<u>633,746</u>	<u>552,179</u>
<b>Represented by:</b>			
<b>Non-current asset</b>			
Plant and equipment	5	60,388	68,199
<b>Current assets</b>			
Other receivables	6	8,311	5,439
Fixed deposits	4	358,891	354,915
Cash and bank balance	4	259,517	175,028
		<u>626,719</u>	<u>535,382</u>
<b>Less: Current liabilities</b>			
Deposits received from residents		41,701	42,300
Accrued operating expenses		11,660	9,102
		<u>53,361</u>	<u>51,402</u>
<b>Net current assets</b>		573,358	483,980
<b>Net assets</b>		<u>633,746</u>	<u>552,179</u>

*The notes form an integral part of these financial statements*

**ADVENTIST HOME FOR THE ELDERS**

**INCOME AND EXPENDITURE STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	Note	2009 \$	2008 \$
<b>Income</b>			
Contribution from residents		216,167	200,480
Donations	7	38,467	16,936
Public assistance and SJF		28,860	31,400
Interest received		4,204	5,176
Other income		7,460	6,586
		<u>295,158</u>	<u>260,578</u>
<b>Less: Expenditure</b>			
Audit fee		1,850	2,950
Bank charge		84	24
Bonus		11,349	9,633
Bookkeeping service fee		1,200	1,200
CPF contribution		6,328	6,401
Depreciation of plant and equipment	5	16,199	12,530
Minor assets expense off		1,964	3,729
Food expense		22,939	22,539
Foreign work levy		9,360	8,699
Insurance		4,567	2,531
Living allowance		4,050	2,880
Loss on disposal of plant and equipment		681	-
Medical expenses		1,329	2,198
Miscellaneous expense		3,808	3,563
Printing and stationery		3,489	1,161
Rent		13,906	13,906
Repair and maintenance		867	2,801
Salaries		83,246	97,158
Staff welfare		701	5,205
Subcontractor work		-	105
Subsidy paid by Adventist Home		1,200	2,820
Telecommunication		1,606	1,864
Transportation		705	1,009
Training expenses		3,345	-
Upkeep of motor vehicle		726	2,914
Utilities charge		17,354	18,286
		<u>212,853</u>	<u>226,106</u>
<b>Net surplus for the year</b>		<u><u>82,305</u></u>	<u><u>34,472</u></u>

*The notes form an integral part of these financial statements*

**ADVENTIST HOME FOR THE ELDERS**  
**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	Maintenance and development fund \$	Accumulated fund \$	Total \$
<b>As at 01.01.2008</b>	30,418	475,833	506,251
Net surplus for the year	-	34,472	34,472
Donations received	11,456	-	11,456
<b>As at 31.12.2008</b>	41,874	510,305	552,179
Prior year adjustment	-	(738)	(738)
Net surplus for the year	-	82,305	82,305
<b>As at 31.12.2009</b>	41,874	591,872	633,746

*The notes form an integral part of these financial statements*



**ADVENTIST HOME FOR THE ELDERS**

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	\$	\$
<b>Cash flow from operating activities</b>		
Surplus for the year	82,305	34,472
Adjustments for:-		
Depreciation of plant and equipment	16,199	12,530
Prior year adjustment	(738)	-
Loss on disposal of plant and equipment	681	-
<b>Operating surplus before working capital changes</b>	<u>98,447</u>	<u>47,002</u>
Increase in other receivables	(2,872)	(328)
(Decrease)/increase in deposits received from residents	(599)	7,654
Increase/(decrease) in accrued operating expenses	2,558	(5,324)
<b>Cash generated from operations</b>	<u>97,534</u>	<u>49,004</u>
Movement in maintenance and development fund	-	11,456
<b>Net cash generated from operating activities</b>	<u>97,534</u>	<u>60,460</u>
<b>Cash flow from investing activity</b>		
Purchase of plant and equipment	<u>(9,069)</u>	<u>(3,896)</u>
<b>Net cash used in investing activity</b>	<u>(9,069)</u>	<u>(3,896)</u>
<b>Net changes in cash and cash equivalents</b>	88,465	56,564
<b>Cash and cash equivalents at beginning of the year</b>	529,943	473,379
<b>Cash and cash equivalents at end of the year</b>	<u>618,408</u>	<u>529,943</u>

*The notes form an integral part of these financial statements*

# ADVENTIST HOME FOR THE ELDERS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

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### 1. CORPORATE INFORMATION

**ADVENTIST HOME FOR THE ELDERS** (the “Home”) is a society registered under the Societies Act in Singapore. It is also an approved Institution of Public Character (IPC) and Central Fund Member. Its Charity Registration Number is 00358.

The registered address of the Home is located at BLK.195 Kim Keat Avenue, #01-294 Singapore 310195.

The principal activities of the Home are to provide accommodation and care to the destitute aged. There has been no significant change in the nature of these activities during the financial year.

The Company has obtained its Institution of Public Character (“IPC”) status from 1 July 2008 to 30 June 2011.

The income of the Home is exempted from income tax subject to compliance with certain provision of the Singapore Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements are prepared under the historical cost convention except as disclosed in the accounting policies below, and in accordance with the Societies Act and Singapore Financial Reporting Standards. The financial statements are presented in Singapore dollars, the Home’s functional and presentation currency and all values are rounded to the nearest dollar as indicated.

In the financial year 2009, the Home has adopted all the new and revised FRSs that are relevant to its operations and are effective for the financial years beginning on or after 1 January 2009. The adoption of these new and revised FRSs has no material effect on the financial statements.

The preparation of financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments made by management in the application of FRSs have no significant effect on the financial statements.

# ADVENTIST HOME FOR THE ELDERS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss to date. Depreciation is computed on the straight line method to write off the cost of the plant and equipment over their estimated useful lives. The estimated useful lives of plant and equipment are as follows:

Furniture and equipment	10 years
Motor vehicle	10 years
Renovation	5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of 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 the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied from items of plant and equipment.

An item of 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 from derecognition of the asset is included in the income and expenditure statement in the year the asset is derecognised.

#### 2.3 Impairment of non-financial assets

The Home assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment 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 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 groups 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 of money and the risks specific to the asset. Where 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 the income and expenditure statement 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.

## ADVENTIST HOME FOR THE ELDERS

### NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.3 Impairment of non-financial assets (Cont'd)

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 the 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 income and expenditure statement unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the income and expenditure statement is treated as a revaluation increase.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

##### 2.4 Financial assets

Financial assets 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. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through income or expenditure, directly attributable transaction costs.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

##### Loans and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

# ADVENTIST HOME FOR THE ELDERS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.5 Impairment of financial assets

At each reporting date, the Home reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extents of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognized in the income and expenditure statement.

#### 2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and fixed deposits, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

#### 2.7 Financial liabilities

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 instrument.

Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised as well as through the amortization process. The liabilities are derecognised when the obligation under the liabilities is discharged or cancelled or expired.

#### 2.8 Income recognition

Income is recognised when it is probable that the economic benefits associated with the transaction will flow to the Home and the amount of the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

##### 2.8.1 Contributions, donations and public assistance

Income from contributions, donations and public assistance are taken into financial statements at the point of receipt.

##### 2.8.2 Interest income

Interest income from fixed deposit is taken up in the financial statements on maturity basis.

##### 2.8.3 Other income

Jobs credit is recognised upon receipt from the government.

# ADVENTIST HOME FOR THE ELDERS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.9 Provisions

Provisions are recognised when the Home has a present obligation (legal or constructive) where, as a result of a past event, 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. Where the Home expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income and expenditure statement net of any reimbursement.

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. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

#### 2.10 Employee benefits

##### *Defined contribution plans*

As required by law, the Home makes contributions to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Home's contributions to CPF are charged to the income and expenditure statement in the period to which the contributions relate.

### 3. MAINTENANCE AND DEVELOPMENT FUND

The fund is set up for the purpose of financing future expansion of the Home.

### 4. CASH AND CASH EQUIVALENTS

	2009	2008
	\$	\$
Cash in hand	3,000	3,000
Cash at bank	256,517	172,028
Cash and bank balance	259,517	175,028
Fixed deposits**	358,891	354,915
As disclosed in statement of cash flows	618,408	529,943

\*\* Interest rates of fixed deposits in 2009: 0.45% to 0.55% (2008: 0.825% to 1%) per annum, which are also the effective interest rate.

**ADVENTIST HOME FOR THE ELDERS**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009**

**5. PLANT AND EQUIPMENT**

	Furniture and equipment \$	Motor vehicle \$	Renovation \$	Total \$
<b><u>Cost</u></b>				
As at 01.01.2008	88,916	94,666	354,478	538,060
Disposal	-	(40,766)	-	(40,766)
Additions	3,896	-	-	3,896
As at 31.12.2008	<u>92,812</u>	<u>53,900</u>	<u>354,478</u>	<u>501,190</u>
Additions	9,069	-	-	9,069
Disposal	(45,135)	-	(347,028)	(392,163)
As at 31.12.2009	<u><u>56,746</u></u>	<u><u>53,900</u></u>	<u><u>7,450</u></u>	<u><u>118,096</u></u>
<b><u>Accumulated depreciation</u></b>				
As at 01.01.2008	66,551	46,158	348,518	461,227
Depreciation for the year	5,650	5,390	1,490	12,530
Disposal	-	(40,766)	-	(40,766)
As at 31.12.2008	<u>72,201</u>	<u>10,782</u>	<u>350,008</u>	<u>432,991</u>
Depreciation for the year	9,319	5,390	1,490	16,199
Disposal	(44,454)	-	(347,028)	(391,482)
As at 31.12.2009	<u><u>37,066</u></u>	<u><u>16,172</u></u>	<u><u>4,470</u></u>	<u><u>57,708</u></u>
<b><u>Net book value</u></b>				
As at 31.12.2009	<u><u>19,680</u></u>	<u><u>37,728</u></u>	<u><u>2,980</u></u>	<u><u>60,388</u></u>
As at 31.12.2008	<u><u>20,611</u></u>	<u><u>43,118</u></u>	<u><u>4,470</u></u>	<u><u>68,199</u></u>

**6. OTHER RECEIVABLES**

	2009 \$	2008 \$
Deposits	4,652	4,652
Staff loan	2,800	-
Prepayment	859	787
	<u><u>8,311</u></u>	<u><u>5,439</u></u>

**7. DONATIONS**

	2009 \$	2008 \$
Tax-deductible donations	31,220	9,660
Others*	7,247	7,276
	<u><u>38,467</u></u>	<u><u>16,936</u></u>

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

# ADVENTIST HOME FOR THE ELDERS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

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### 8. KEY MANAGEMENT PERSONNEL

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

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.

### 9. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

During the financial year, the Home has the following significant transactions with the related parties on terms agreed between the parties.

	2009	2008
	\$	\$
Sub contractor	-	105
Repair and maintenance	578	931
Fixed and minor assets	1,400	344
	<u>1,978</u>	<u>1,380</u>

### 10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### 10.1 Financial risk management objectives and policies

The main risk arising from the Home's financial instruments is interest rate risk. The management reviews and agrees on policies for managing this risk and it is summarised below:

##### *Interest rate risk*

The Home is exposed to interest rate risk through the impact of rate changes on interest bearing fixed deposits. The Home's policy is to review the terms of these deposits to take advantage of the most favourable interest rate available.

#### 10.2 Fair values

As at 31 December 2009, the carrying amounts of financial assets and liabilities approximated their fair values as they are short term in nature.



## **ADVENTIST HOME FOR THE ELDERS**

### **NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009**

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#### **11. NEW FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS**

The Home has not applied those Financial Reporting standards and interpretations that have been issued as of the reporting date but not yet effective. The applications of those standards and interpretations are not expected to have any material impact on the Home's financial statements for the financial year ended 31 December 2009 and in the financial period of initial application.

#### **12. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Board of Management on 22 March 2010.