

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

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007**



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

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

STATEMENT BY MANAGEMENT COMMITTEE

The committee members duly authorised by, Adventist Home for the elders (“the Home”), hereby state that in our opinion, the accompanying balance sheet, income and expenditure statement, statement of changes in funds and the cash flow statement together with the notes thereon are drawn up in accordance with the provisions of the Societies Act. and the 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 2007** and of the results, changes in funds and cash flows of the Home for the year then ended.

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.

On behalf of the Management Committee

.....
Yuen Fook Kee
Chairman

.....
Ong Yew Aik
Treasurer

Singapore

Dated:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ADVENTIST HOME FOR THE ELDERS (Society Registration Number: 0139/1980WEL)

We have audited the accompanying financial statements of Adventist Home For The Elders ("the Home"), which comprise the balance sheets of the Home as at **31 December 2007**, the income and expenditure statement, statement of changes in funds and cash flow statement of the Home for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in pages 4 to 13.

Management Committee' responsibility for the financial statements

The Management Committee of the Home 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. This responsibility includes: designing, implementing and maintaining internal control 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 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 judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control of the Home relevant to the 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion:

- a. the financial statements are properly drawn up in accordance with the provisions of the Societies Act and the 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 2007**, and the results, changes in members' funds and cash flows of the Home for the year ended on that date.
- b. the accounting and other records required by the 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.
- c. During the course of our audit, nothing has come to our attention to cause us to believe that the Organization's Name has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (institutions of a Public Character) Regulations 2007.

During the course of audit, nothing came to our notice that caused us to believe that the receipts, expenditure and the acquisition and disposal of assets by the Home during the financial year have not been made in accordance with the Act.

TAN, CHAN & PARTNERS
Certified Public Accountants

Singapore

Date:

Ref: 30 – 1921/Jolin

ADVENTIST HOME FOR THE ELDERS

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**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
FUNDS			
Accumulated fund		475,833	417,666
Maintenance and development fund	3	30,418	25,103
		<u>506,251</u>	<u>442,769</u>
REPRESENTED BY:-			
PLANT AND EQUIPMENT	4	76,833	30,847
CURRENT ASSETS			
Deposit and prepayments		5,111	6,930
Fixed deposits	5	349,924	345,502
Cash and bank balances		123,455	95,660
		<u>478,490</u>	<u>448,092</u>
LESS: CURRENT LIABILITIES			
Deposits received from residents		34,646	25,106
Accrued operating expenses		14,426	11,064
		<u>49,072</u>	<u>36,170</u>
NET CURRENT ASSETS		429,418	411,922
NET ASSETS		<u>506,251</u>	<u>442,769</u>

The annexed notes form an integral part of these financial statements and should be read in conjunction therewith.

ADVENTIST HOME FOR THE ELDER'S

(Society Registration Number: 0139/1980WEL)

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	\$	\$
INCOME		
Contribution from residents	190,897	138,116
Fund raising concert	6 32,665	-
Donation from public	6 19,891	62,927
Public assistance & SJF	30,680	35,880
Interest received	4,599	3,198
Other income	3,893	325
	282,625	240,446
LESS: EXPENDITURE		
Audit fee	1,000	2,300
Bank charge	114	214
Bonus	12,473	4,905
Bookkeeping service fee	1,200	1,200
Fund raising concert expenses	10,059	-
CPF	9,543	5,967
Depreciation		
- Current year	12,142	3,953
- Prior year	-	-4,707
Food expense	19,485	29,687
Foreign work levy	5,760	5,808
Insurance	2,953	1,220
Living allowance	3,390	4,110
Medical expenses	1,416	328
Minor fixed assets expensed off	258	4,282
Miscellaneous expense	5,597	9,670
Printing and stationery	2,661	-
Rent	13,776	13,646
Repair & maintenance	4,556	1,266
Salaries	82,669	60,920
Staff welfare	3,996	500
Subcontractor work	1,323	50
Subsidy paid by Adventist Home	9,178	-
Telecommunication	1,019	1,254
Transport	818	1,178
Upkeep of Motor vehicle	3,422	1,744
Utilities charge	15,650	17,123
	224,458	166,618
NET SURPLUS FOR THE YEAR	58,167	73,828

The annexed notes form an integral part of these financial statements
and should be read in conjunction therewith.

ADVENTIST HOME FOR THE ELDERS

(Society Registration Number: 0139/1980WEL)

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Maintenance and Development Fund	Accumulated Fund	Total
	\$	\$	\$
As at 1 January 2006	12,919	343,838	356,757
Net surplus for the year	-	73,828	73,828
Donations received	12,184	-	12,184
As at 31 December 2006	<hr/> 25,103	<hr/> 417,666	<hr/> 442,769
Net surplus for the year	-	58,167	58,167
Donations received	5,315	-	5,315
As at 31 December 2007	<hr/> <hr/> 30,418	<hr/> <hr/> 475,833	<hr/> <hr/> 506,251

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ADVENTIST HOME FOR THE ELDERS
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CASH FLOWS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year		58,167	73,828
Adjustment for:-			
Depreciation of plant and equipment			
- Current year		12,142	3,953
- Prior years		-	(4,707)
Operating surplus before working capital changes		70,309	73,074
Adjustments for changes in working capital:			
Deposits and prepayments		1,819	(2,188)
Deposits received from residents		9,540	(2,434)
Accrued operating expenses		3,362	4,370
Cash generated from operating activities		85,030	72,822
Movement in maintenance and development fund balance		5,315	12,184
Net cash generated from operating activities		90,345	85,006
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(58,128)	(13,584)
Net cash used in investing activities		(58,128)	(13,584)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		32,217	71,422
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR			
		441,162	369,740
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
	5	473,379	441,162

The annexed notes form an integral part of these financial statements
and should be read in conjunction therewith.

ADVENTIST HOME FOR THE ELDERS

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

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

1. GENERAL INFORMATION

The 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 principal activities of the Home are to provide accommodation and care to the destitute aged.

The registered address of the Home is located at 297A Thomson Road, Singapore 307647.

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements, expressed in Singapore dollars, are prepared under the historical cost convention except as disclosed in the accounting policies below, and in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Societies Act.

In the financial year 2007, 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 2007. 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 judgements, 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 judgements 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 recognized 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.

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

ADVENTIST HOME FOR THE ELDERS

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis so as to write off the cost of the plant and equipment over their estimated useful lives.

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

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

(c) Revenue recognition

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

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

(d) Impairment of assets

At each balance sheet 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.

(e) Employee benefits

As required by law, the Home makes contribution to the state pension scheme known as Central Provident Fund (CPF). CPF contributions are recognised as expense in the same period as the employment that gives rise to the contribution.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

(f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and fixed deposits.

ADVENTIST HOME FOR THE ELDERS

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007**3. MAINTENANCE AND DEVELOPMENT FUND**

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

4. PLANT AND EQUIPMENT

	Furniture & Equipment \$	Motor Vehicle \$	Renovation \$	Total \$
<u>Cost</u>				
At 01 January 2006	78,554	40,766	347,028	466,348
Additions	6,134	-	7,450	13,584
At 31 December 2006	84,688	40,766	354,478	479,932
Additions	4,228	53,900	-	58,128
At 31 December 2007	88,916	94,666	354,478	538,060
<u>Accumulated Depreciation</u>				
At 01 January 2006	62,764	40,047	347,028	449,839
Depreciation				
-Current year	3,234	719	-	3,953
-Prior years	(4,707)	-	-	(4,707)
At 31 December 2006	61,291	40,766	347,028	449,085
Depreciation - Current year	5,260	5,392	1,490	12,142
At 31 December 2007	66,551	46,158	348,518	461,227
<u>Net Book Value</u>				
At 31 December 2007	22,365	48,508	5,960	76,833
At 31 December 2006	23,397	-	7,450	30,847

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

5. CASH AND CASH EQUIVALENT

Cash and cash equivalents in the cash flows statement comprise the following balance sheet amounts:-

	2007	2006
	\$	\$
Cash and bank balances	123,455	95,660
Fixed deposits	349,924	345,502
	473,379	441,162

The fixed deposits have mature periods ranging from 5 to 11 months from the end of the financial year and bear effective interests ranging from 0.8% to 1.8% (2006: 0.8% to 1.8%) per annum.

6. (i) FUND RAISING PROJECTS-CONCERT

	2007	2006
	\$	\$
Tax-deductible donations	29,741	-
Others*	2,924	-
	32,665	-

“Rhythm of Life Fundraising Concert” was held on 7 July 2007. It was a collaboration between Adventist Home for the Elders; Adventist Nursing & Rehabilitation Centre and Adventist Community Services in helping our organizations to serve the community, the needy, the underprivileged, the destitute and the physically challenged, to help them live meaningful, happy and healthier lives.

The collection received from tax-deductible donation was \$59,481. It was distributed equally to the Adventist Home for the Elders and the Adventist Nursing & Rehabilitation Centre.

(ii) GENERAL DONATIONS

	2007	2006
	\$	\$
Tax-deductible donations	11,599	61,450
Others*	8,292	1,477
	19,891	62,927

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

ADVENTIST HOME FOR THE ELDERS
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

7. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the financial year.

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.

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

	2007	2006
	\$	\$
Number of employee in bands:		
\$50,001 to \$100,000	<u>Nil</u>	<u>Nil</u>

9. FINANCIAL INSTRUMENTS AND FAIR VALUE

a) Financial risk management objectives and policies

The main risks from the Home's financial instruments are credit risk and interest rate risk. The Home reviews and agrees policies for managing each of these risk and they are summarised below:

Credit risk

Credit risk is the potential financial loss resulting from the failure of counterparty to settle its financial and contractual obligation to the Home, as and when they fall due.

Cash is placed with banks which are regulated.

The carrying amount of deposits and prepayments, fixed deposits and bank balances represents the Home's maximum exposure to credit risk.

At the balance sheet date, there is no significant concentration of credit risk.

ADVENTIST HOME FOR THE ELDERS
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2007

9. FINANCIAL INSTRUMENTS AND FAIR VALUE (Cont'd)

a) Financial risk management objectives and policies

Interest rate risk

The Home's exposure to changes in interest rates relates primarily to the Home's fixed deposits and bank balances.

The Home's policy is to place surplus funds in fixed deposits at favorable interest rates with financial institutions. The exposure to changes in value of its financial assets as a result of movements in interest rate is minimized as deposits are placed on short-term tenures on a fixed rate basis.

b) Fair value

As at 31 December 2007, the carrying amounts of the financial assets and financial liabilities of the Home in the balance sheet approximated their fair values.

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Home for the year ended **31 December 2007** were authorised for issue in accordance with a resolution of the Management Committee on _____