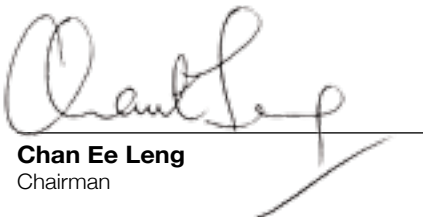


FINANCIAL STATEMENTS


For the financial year ended 31 March 2009

STATEMENT BY THE BOARD OF GOVERNANCE OF METHODIST WELFARE SERVICES

On behalf of the Board of Governance, we state that, to the best of our knowledge, the financial statements on pages 46 to 67 are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 March 2009 and of the results, changes in accumulated fund and specific funds and cash flows of its operations for the financial year then ended.



Chan Ee Leng
Chairman



David Wong Cheong Fook
Honorary Treasurer

11 July 2009

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METHODIST WELFARE SERVICES

We have audited the accompanying financial statements of Methodist Welfare Services ("Society") as set out on pages 47 to 67, which comprise the balance sheet as at 31 March 2009, the income and expenditure account, statement of changes in accumulated fund and specific funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The 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. This responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

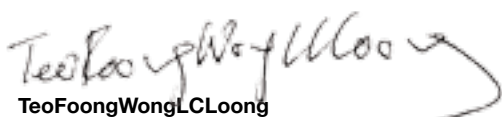
Opinion

In our opinion:

- a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 March 2009 and the results, changes in accumulated fund and specific funds and cash flows of the Society for the financial year ended on that date;
- b) the accounting and other records required by regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations;
- c) the fundraising appeals held during financial year ended 31 March 2009 as listed below has been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act Cap. 311 and proper accounts and other records have been kept of the fundraising appeal:-

Name of fundraising projects	Period of fundraising
Charity Movie	1 April 2008 to 30 June 2008
Golf Tournament	1 April 2008 to 31 July 2008
MWS Soccer Tournament	1 August 2008 to 30 November 2008
Hong Bao donations	1 January 2009 to 29 February 2009
MWS Sunday	1 March 2009 to 31 March 2009
Funding Appeals	1 April 2008 to 31 March 2009

- d) the Society has complied with the requirements of regulation 15 (Fundraising expenses) of the Charities (Institutions of a Public Character) Regulations 2007; and
- e) the use of the donations is in accordance with the objectives of the Society.



Teo Foong Wong L. C. Loong
Public Accountants and
Certified Public Accountants
Singapore

11 July 2009

INCOME AND EXPENDITURE ACCOUNT

For the financial year ended 31 March 2009

	Notes	2009 \$	2008 \$
Income			
Donations	4	3,444,455	3,972,779
Fundraising income	4	3,204,267	2,761,273
Government grants		7,918,281	6,970,603
Subsidy - student care/child care fees		264,436	240,737
NCSS grants		1,719,434	1,693,322
Interest received		73,359	199,345
Dividend income		166,341	-
Membership fees		981	1,304
Programme income		2,397,332	2,493,124
Gain on disposal of fixed assets		800	8,730
Sundry income		86,941	79,044
Amortisation of:			
- Capital grants	11	31,344	65,639
- Building grants	12	389,411	389,411
Transfer from sinking fund	16	300,000	-
Total income		19,997,382	18,875,311
Less expenditure			
Expenditure on manpower			
Central Provident Fund		966,145	965,638
Helpers' allowance		38,745	48,439
Manpower contract services		248,352	103,415
Recruitment expenses		12,639	13,835
Salaries and related costs		8,671,856	8,885,706
Staff benefits		143,950	122,350
Staff training		83,414	62,628
	5	10,165,101	10,202,011
Maintenance			
Depreciation	6	529,935	688,146
Rent of building, equipment and others		913,583	886,764
Repairs and maintenance		1,624,513	329,583
Upkeep of motor vehicles		4,558	5,841
		3,072,589	1,910,334

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

INCOME AND EXPENDITURE ACCOUNT (cont'd)

For the financial year ended 31 March 2009

	Notes	2009 \$	2008 \$
General expenditure			
Allowance/(write-back) for doubtful receivables	8	8,067	13,046
Bad receivables written off	8	3,205	5,878
Bad receivables recovered		-	(2,247)
Communications		169,286	141,844
Course fees		4,571	-
Donation to MCYC Community Services Society		10,341	-
Food and refreshments		878,790	995,576
General expenses		53,746	53,889
Input GST not recoverable		265,415	191,220
Insurance		20,721	18,355
Loss on sale of investments		4,384	-
Medical supplies		530,314	482,235
Professional fees		492,229	404,122
Programme development		10,918	-
Public education expenses		344	-
Specific assistance to clients		67,690	64,878
Stationery and printing		188,400	166,330
Supplies and materials		251,817	351,368
Transport and traveling		69,944	57,958
Utilities		463,946	412,971
Volunteer training and honorarium		6,207	1,774
		3,500,335	3,359,197
Total expenditure		16,738,025	15,471,542
Surplus transferred to Accumulated Funds		3,259,357	3,403,769
Surplus was transferred as follows:			
General Accumulated Fund	14	2,898,984	2,247,928
Service Centres' Accumulated Funds	15	360,373	1,155,841
		3,259,357	3,403,769

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

BALANCE SHEET

As at 31 March 2009

	Notes	2009 \$	2008 \$
Non-current assets			
Property, plant and equipment	6	8,312,279	8,777,299
Available-for-sale investments	7	3,041,744	1,330,803
		11,354,023	10,108,102
Current assets			
Sundry receivables, deposits and prepayments	8	1,082,586	1,248,744
Fixed deposits	9	7,409,176	7,054,427
Cash and bank balances	10	2,777,618	2,763,239
		11,269,380	11,066,410
Total assets		22,623,403	21,174,512
Non-current liabilities			
Capital grants	11	88,121	101,722
Building grants	12	7,033,223	7,422,634
		7,121,344	7,524,356
Current liability			
Sundry payables and accruals	13	2,023,735	1,919,480
Total liabilities		9,145,079	9,443,836
Net assets		13,478,324	11,730,676
Funds			
Unrestricted Funds			
General Accumulated Fund	14	7,567,870	5,194,359
Service Centres' Accumulated Funds	15	5,300,084	4,464,238
Sinking Fund	16	50,000	300,000
Fair Value Reserve	17	(824,620)	13,393
Asset Capitalisation Reserve	18	196,238	162,617
		12,289,572	10,134,607
Restricted Funds			
MWS-CSL Trust Endowment Fund for BMNH	19	1,000,000	1,000,000
– Endowment fund		(359,063)	111,235
– Fair value reserve			
Bursary Fund	20	64,556	102,256
Other Funds	21	483,259	382,578
		13,478,324	11,730,676

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

STATEMENT OF CHANGES IN ACCUMULATED FUND AND SPECIFIC FUNDS

For the financial year ended 31 March 2009

	Unrestricted Funds					Restricted Funds					Total \$
	General Accumulated Fund \$	Service Centres' Fund \$	Sinking Fund \$	Fair Value Reserve \$	Asset Capitalisation Reserve \$	Endowment Fund \$	Fair Value Reserve \$	Bursary Fund \$	Other Funds \$		
At 1.4.2007	3,057,886	3,246,942	250,000	-	24,502	1,006,901	-	57,646	375,025	8,018,902	
Net surplus/(deficit) for the year	2,247,928	1,155,841	-	-	160,425	(6,901)	-	44,610	7,553	3,609,456	
Depreciation charge	-	-	-	-	(22,310)	-	-	-	-	(22,310)	
Transfer of funds to Centres	(111,455)	61,455	50,000	-	-	-	-	-	-	-	
Fair value adjustment	-	-	-	13,393	-	-	111,235	-	-	124,628	
At 31.3.2008	5,194,359	4,464,238	300,000	13,393	162,617	1,000,000	111,235	102,256	382,578	11,730,676	
Net surplus/(deficit) for the year	2,898,984	360,373	-	-	64,368	-	-	(37,700)	100,681	3,386,706	
Depreciation charge	-	-	-	-	(30,747)	-	-	-	-	(30,747)	
Transfer of funds to Centres	(525,473)	475,473	50,000	-	-	-	-	-	-	-	
Utilisation of Sinking Fund	-	-	(300,000)	-	-	-	-	-	-	(300,000)	
Fair value adjustment	-	-	-	(838,013)	-	-	(470,298)	-	-	(1,308,311)	
At 31.3.2009	7,567,870	5,300,084	50,000	(824,620)	196,238	1,000,000	(359,063)	64,556	483,259	13,478,324	

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

CASH FLOW STATEMENT

For the financial year ended 31 March 2009

	Notes	2009 \$	2008 \$
Cash flows from operating activities			
Surplus for the financial year		3,259,357	3,403,769
Adjustments for:			
Depreciation	6	529,935	688,146
Interest income		(73,359)	(199,345)
Gain on disposal of property, plant and equipment		(800)	(8,730)
Amortisation of:			
– Capital grants	11	(31,344)	(65,639)
– Building grants	12	(389,411)	(389,411)
Loss on disposal of investment		4,384	–
Donation of property, plant and equipment to MCYC Community Services Society	6	10,341	–
Utilisation of Sinking Fund		(300,000)	–
Operating surplus before working capital changes		3,009,103	3,428,790
Receivables		166,158	(294,444)
Payables		104,255	435,273
Cash from operations		3,279,516	3,569,619
Asset Capitalisation Reserve	18	44,368	160,425
Capital grants	11	17,743	127,152
Net cash from operating activities		3,341,627	3,857,196
Cash flows from investing activities			
Purchase of property, plant and equipment		(86,003)	(501,270)
Interest income		73,359	199,345
Purchase of investment		(3,204,865)	(1,206,175)
Sale proceeds from disposal of investment		181,229	–
Sale proceeds from disposal of property, plant and equipment		800	8,730
Net cash used in investing activities		(3,035,480)	(1,499,370)
Cash flows from restricted funds			
Net (payments to)/receipts from:			
MWS – CSL Trust Endowment Fund for BMNH	19	–	(6,901)
Bursary Fund	20	(37,700)	44,610
Other Funds	21	100,681	7,553
Net cash from restricted funds		62,981	45,262
Net increase in cash and cash equivalents		369,128	2,403,088
Cash and cash equivalents at beginning of financial year		9,817,666	7,414,578
Cash and cash equivalents at end of financial year		10,186,794	9,817,666
Cash and cash equivalents comprise:-			
Fixed deposits		7,409,176	7,054,427
Cash and bank balances		2,777,618	2,763,239
		10,186,794	9,817,666

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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

1 General information

Methodist Welfare Services is registered in Singapore under the Societies Act.

The principal activities of the Methodist Welfare Services ("the Society") are to assist in the relief of poverty, physical, psychological and emotional suffering regardless of age, sex, race, nationality, religion or moral character, especially by the provision of nursing care, counselling, rehabilitation services, training or educational services or assistance. The Headquarters is located at 70 Barker Road, Singapore.

The principal activities of the branches of Methodist Welfare Services and their locations are as follows:-

Agape Methodist Hospice

The Hospice homecare service provides palliative homecare, befriending, and loan of equipment to those with life-limiting illnesses. It is located at 70 Barker Road, Singapore.

Bethany Methodist Nursing Home

The Home provides residential quarters and rehabilitation facilities for the sick and needy requiring nursing care. It is located at 9, Choa Chu Kang Avenue 4, Singapore.

Bethany Day Rehabilitation Centre

The Centre, located within the Bethany Methodist Nursing Home, provides day rehabilitation services to the residents and others in need of such services. It is located at 9, Choa Chu Kang Avenue 4, Singapore. The Centre ceased operations on 29 August 2008 due to low utilisation.

Christalite Methodist Home

The Home is one of the four homes for destitute persons that replaced the Woodlands Home. It provides shelter, healthcare, befriending and counselling services for the destitutes. It is located at 51 Marsiling Drive, Singapore.

D'Joy Children's Centre

The Centre comprises childcare and student care facilities, for children of working parents. It is located at Blk 1, Maude Road, #03-30, Singapore.

Family Service Centres

The Centres provide casework and counselling, information and referral services, preventive and developmental programmes and activities for individuals and families in need.

The five family service centres are:

Covenant Family Service Centre located at Blk 613, Hougang Ave 8, #01-432, Singapore.

Daybreak Family Service Centre located at Blk 855 Yishun Ring Road, #01-3539, Singapore.

Kampong Kapur Family Service Centre located at Blk 2 Kitchener Road, #03-89, Singapore.

Sembawang Family Service Centre located at Blk 326 Sembawang Crescent #01-52, Singapore.

Tampines Family Service Centre located at Blk 470 Tampines St 44 #01-194, Singapore.

iConnect Student Care Centre

The Centre, located within First Toa Payoh Primary School, provides student care services for children of working parents. It is located at 7 Lorong 8, Toa Payoh, Singapore.

Methodist Children & Youth Centre

The Centre offers programmes and services to help children, youth and the families in the surrounding Bukit Batok community. Services include school-based social work, student care services, youth centre, learning centre, counselling services and parenting programmes. It is located at Blk 106 Bukit Batok Central #01-217, Singapore. On 1 January 2009, the Society ceased to operate this Centre.

2 Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollars which is the functional currency of the Society, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements is in conformity with FRS and requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

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. There were no significant judgement and estimates made during the financial year.

The carrying amounts of cash and cash equivalents, current receivables and payables and provisions approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Society has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS has no material effect on the financial statements.

At the date of the balance sheet, the following FRSs and Interpretations of FRS ("INT FRS") were issued, revised or amended but not effective:

FRS 1	Presentation of Financial Statements
FRS 23	Borrowing Costs
INT FRS 113	Customer Loyalty Programmes
INT FRS 116	Hedges of a Net Investment in a Foreign Operation
Amendments to FRS 101 and FRS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
Amendments to FRS 32 and FRS 1	Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 102	Share-based Payment - Vesting Conditions and Cancellations
Improvements to FRSs 2008	

At the date of the balance sheet, the Society anticipates that the adoption of these FRS and INT FRS that were issued, revised or amended but not effective will have no material impact on the financial statements of the Society in the year of initial application.

b) Property, plant and equipment

Property, plant and equipment are shown at cost less accumulated depreciation and any impairment loss. Depreciation is charged by equal annual instalments in accordance with a schedule of rates which are calculated to write off the assets over their estimated useful lives as follows: -

Building at 9 Choa Chu Kang Avenue 4	30 years
Equipment	10 years
Furniture, fittings and office equipment	5 to 10 years
Computers	3 years
Renovations	5 years
Motor vehicles	10 years

With effect from 1 April 2008, computers are depreciated over a period of 3 years. Computers were previously depreciated over 1 year.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

2 Significant accounting policies (cont'd)

c) Income recognition

Donations	– when received
Fundraising income	– in the period the event occurred
Programme income	– over the period of provision of services to clients
Interest income	– on a time proportion basis

d) Grants

Capital grants

Grants received/receivable for the purpose of maintaining, converting, renovating and furnishing a space for the use as a centre are capitalised as capital grants and amortised to the income and expenditure account over a period of five years commencing from the year of undertaking the operations of the centre.

Grant receivable for the purpose of upgrading the accounting system is capitalised as capital grant and amortised to the income and expenditure over a period of three years from the year of upgrade completion.

Capital grants received for the purpose of construction of the building, and purchase of furniture and rehabilitation equipment for the nursing home are capitalised in the Building Grants account and amortised in accordance with the depreciation of the cost of the respective assets acquired using the grants.

Total capital grants received for the centres and building grants received for the Home less the amounts amortised to the income and expenditure account at the balance sheet date are included in the balance sheet as capital grants and building grants.

Revenue grants

Grants of a revenue nature are credited to the income and expenditure account in the period to which they relate.

e) Employee benefits

Defined contribution plans

The Society contributes to the Central Provident Fund (“CPF”), a defined contribution plan regulated and managed by the Singapore Government. The Society’s contributions to CPF are charged to the income and expenditure statement in the period in which the contributions relate.

Employee leave entitlement

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

f) Asset Capitalisation Account

Specific donations given for the purchase of motor vehicles or equipment are credited to the Motor Vehicle Fund Account or Fixed Asset Fund Account and on acquiring the motor vehicles or equipment is taken to the Asset Capitalisation Reserve. Depreciation on the motor vehicles or equipment funded by the donation is charged directly to the Asset Capitalisation Reserve.

g) Financial assets

i) Classification

The Society classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within “other receivables” and “cash and cash equivalents” on the balance sheet.

Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

2 Significant accounting policies (cont'd)

g) Financial assets (cont'd)

ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the income statement. Any amount in the fair value reserve relating to that asset is also taken to the income statement.

iii) Initial measurement

Financial assets, available-for-sale are initially recognised at fair value plus transaction costs.

iv) Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in fair values of financial assets that are classified as available-for-sale are recognised in the fair value reserve within equity.

When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the income statement.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the income statement. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in the income statement and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

v) Impairment

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. 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.

Financial assets, available-for-sale

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in income statement.

Impairment losses on debt instruments classified as available-for-sale financial assets are reversed through the income statement. However, impairment losses recognised in the income statement on equity instruments classified as available-for-sale financial assets are not reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

2 Significant accounting policies (cont'd)

h) Financial liabilities

Financial liabilities comprise sundry payables and accruals which are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

i) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income and expenditure account.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

j) Income tax

MWS is exempt from income tax under the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Society.

k) Provision for liabilities

Provisions are recognised when the Society has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Society expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3 Critical judgment in applying significant accounting policies

In the process of applying the Society's accounting policies, which are described in note 2, the Board of Governance of the Society has made the following assumptions.

The cost of the building at 9, Choa Chu Kang Avenue 4 is depreciated over 30 years from 2001 based on an understanding that the land will be made available by the Government of Singapore ("the landlord") for 30 years although the tenancy agreement with the landlord in respect of the lease of the said land is for 3 years with an option to renew the lease for another 3 years at the discretion of the landlord. The Board of Governance of the Society believes that the landlord will continue to renew the lease up to the conclusion of the 30 years because the building grant received from the Ministry of Health ("MOH") is conditional upon the Society agreeing to operate the Home for 30 years.

Similarly as mentioned in note 2(d), the building grants received for the purpose of construction of building and purchase of furniture and equipment are amortised over the useful lives of the respective assets acquired using the grants, the majority of which relates to the life of the building.

4 Donations/Fundraising income

Included in donations and fundraising income are tax deductible amounts of \$1,898,513 (2008: \$1,984,502) and \$3,106,541 (2008: \$2,539,668) respectively.

5 Remuneration of key management staff

Included in expenditure on manpower are remuneration paid to key management staff as follows:-

	2009 \$	2008 \$
Salaries and related costs	917,859	908,029
CPF	100,213	100,246

Key management staff comprise Directors of Headquarters and Heads of Centres.

6 Property, plant and equipment

	Building \$	Equipment \$	Computers \$	Furniture, fittings and office equipment \$	Motor vehicles \$	Renovations \$	Total \$
2009							
Cost							
At 1.4.2008	10,462,931	155,524	582,989	1,357,455	363,746	2,356,759	15,279,404
Additions	-	-	29,569	7,700	44,368	24,366	106,003
Disposal	-	-	-	-	(51,887)	-	(51,887)
Donation *	-	-	(19,809)	(13,772)	-	(305,870)	(339,451)
At 31.3.2009	10,462,931	155,524	592,749	1,351,383	356,227	2,075,255	14,994,069
Accumulated depreciation							
At 1.4.2008	2,430,625	105,046	582,862	1,007,528	165,309	2,210,735	6,502,105
Depreciation charge	348,831	12,327	9,856	103,625	35,623	50,420	560,682
Disposal	-	-	-	-	(51,887)	-	(51,887)
Donation *	-	-	(19,798)	(8,310)	-	(301,002)	(329,110)
At 31.3.2009	2,779,456	117,373	572,920	1,102,843	149,045	1,960,153	6,681,790
Net book value							
At 31.3.2009	7,683,475	38,151	19,829	248,540	207,182	115,102	8,312,279
2008							
Cost							
At 1.4.2007	10,462,931	147,224	425,756	1,329,720	280,766	2,203,557	14,849,954
Additions	-	8,300	157,233	27,735	154,800	153,202	501,270
Disposal	-	-	-	-	(71,820)	-	(71,820)
At 31.3.2008	10,462,931	155,524	582,989	1,357,455	363,746	2,356,759	15,279,404
Accumulated depreciation							
At 1.4.2007	2,081,794	87,918	425,649	905,850	205,944	2,156,314	5,863,469
Depreciation charge	348,831	17,128	157,213	101,678	31,185	54,421	710,456
Disposal	-	-	-	-	(71,820)	-	(71,820)
At 31.3.2008	2,430,625	105,046	582,862	1,007,528	165,309	2,210,735	6,502,105
Net book value							
At 31.3.2008	8,032,306	50,478	127	349,927	198,437	146,024	8,777,299

Depreciation is charged to:-

	2009 \$	2008 \$
Income and expenditure account	529,935	688,146
Asset Capitalisation Reserve (note 18)	30,747	22,310
	560,682	710,456

*Donation relates to property, plant and equipment donated to MCYC Community Services Society at net book value on 1 January 2009.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

7 Available-for-sale investments

	2009 \$	2008 \$
At fair value:		
Investment fund	1,229,604	601,103
Quoted equity investments	1,184,270	134,700
Quoted equity investment – Chen Su Lan Trust Fund	627,870	595,000
	3,041,744	1,330,803

The investment fund is placed with The Methodist Church in Singapore ("MCS"). The funds of the Society are pooled with those of MCS and other Methodist organisations. The Society contributed \$1,400,000 (2008:\$600,000) to the total pooled fund. MCS is a related party (note 22).

8 Sundry receivables, deposits and prepayments

	2009 \$	2008 \$
Staff loans	16,285	7,350
Sundry receivables	838,779	937,850
Sundry deposits	200,910	204,388
Prepayments	26,612	99,156
	1,082,586	1,248,744

Loans to staff are non-interest bearing.

	2009 \$	2008 \$
Not past due and not impaired	131,064	150,775
Past due and not impaired	707,715	787,075
Past due and impaired	13,756	35,091
	852,535	972,941
Allowance for doubtful receivables	(13,756)	(35,091)
	838,779	937,850

The age analysis of sundry receivables past due but not impaired was as follows:-

	2009 \$	2008 \$
Past due 0 - 30 days	290,684	313,164
Past due 31 - 60 days	158,060	170,241
Past due 60 days and over	258,971	303,670
	707,715	787,075

Included in sundry deposits is an amount of \$127,800 (2008: \$127,800) due from MCS representing a deposit held as security for a guarantee issued by MCS's banker on behalf of the Society. MCS is a related party (notes 7 and 22).

8 Sundry receivables, deposits and prepayments (cont'd)

The sundry receivables are stated after making allowance for doubtful receivables as follows:-

	2009 \$	2008 \$
At 1 April	35,091	27,916
Allowance	8,570	13,046
Amounts written off	(29,402)	(5,871)
Allowance write-back	(503)	-
At 31 March	<u>13,756</u>	<u>35,091</u>
Bad debts directly written off to profit and loss	<u>3,205</u>	5,878

Sundry receivables that are individually determined to be impaired at the balance sheet date relate to receivables that are either in significant financial difficulties and have defaulted on payments or disputing the amount due.

9 Fixed deposits

	2009 \$	2008 \$
Placement with banks	7,409,176	6,854,427
Placement with MCS (notes 7 and 22)	-	200,000
	<u>7,409,176</u>	<u>7,054,427</u>

All fixed deposits mature within 12 months from the year end. At the balance sheet date, the interest rate of these fixed deposits ranges from 0.3% to 0.5625% (2008: 1% to 1.6875%) per annum.

10 Cash and bank balances

	2009 \$	2008 \$
Cash at bank	2,741,823	1,869,430
Cash with broker	35,795	893,809
	<u>2,777,618</u>	<u>2,763,239</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

11 Capital grants

	2009 \$	2008 \$
At 1 April	127,152	201,041
Grants received/receivable	17,743	127,152
Less fully amortised grants written off	-	(201,041)
	144,895	127,152
Accumulated amortisation	(56,774)	(25,430)
At 31 March	88,121	101,722
Accumulated amortisation comprises:-		
At 1 April	25,430	160,832
Amortisation during the year	31,344	65,639
	56,774	226,471
Less fully amortised grants written off	-	(201,041)
At 31 March	56,774	25,430

Capital grants received/receivable of \$17,743 during the year are from National Council of Social Service for the accounting system upgrade and is amortised over useful life of 3 years.

In year 2008, capital grants received/receivable of \$127,152 are from Ministry of Community Development, Youth & Sports for the renovation cost of Kampong Kapor Family Service Centre and Daybreak Family Service Centre's student care centre at Naval Base Primary School. These are amortised over the period the renovation cost is depreciated which is over a period of 5 years.

12 Building grants

	2009 \$	2008 \$
Grants received	10,141,625	10,141,625
Accumulated amortisation	(3,108,402)	(2,718,991)
	7,033,223	7,422,634
Accumulated amortisation comprises:		
At 1 April	2,718,991	2,329,580
Amortisation during the year	389,411	389,411
At 31 March	3,108,402	2,718,991

These are capital grants received from the Ministry of Health ("MOH") for the construction and furnishing of the Bethany Methodist Nursing Home undertaken by the Society. Under the agreement with MOH, the Society is required to operate the Home for the duration of the land lease or for 30 years from 1 September 2001, whichever is the lesser and to apply the grants received for the purposes as stipulated in the letter of undertaking to MOH dated 1 September 2001.

13 Sundry payables and accruals

	2009 \$	2008 \$
Sundry payables	1,322,823	1,241,412
Accrued operating expenses	216,374	172,014
Residents' deposits and monies held for safekeeping	481,595	401,238
Deferred income (net)	2,943	104,816
	2,023,735	1,919,480

Included in sundry payables is an amount of \$27,471 (2008: \$193,969) due to a Methodist organisation (note 22).

Deferred income represents donations received for the fundraising event "MWS Fellowship On the Green" to be held on 29 July 2009 (2008:16 July 2008) and includes tax deductible receipts of \$3,000 (2008:\$98,360).

14 General Accumulated Fund

	2009 \$	2008 \$
At 1 April	5,194,359	3,057,886
Income	4,688,321	4,229,789
Expenditure	(1,789,337)	(1,981,861)
Surplus for the year	2,898,984	2,247,928
Balance before transfers	8,093,343	5,305,814
Transfers to:		
– Service Centre's Accumulated Funds (note 15)	(475,473)	(61,455)
– Sinking Fund (note 16)	(50,000)	(50,000)
At 31 March	7,567,870	5,194,359

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

15 Service Centres' Accumulated Funds

2009

	At 1.4.2008 \$	Receipts \$	Expenditure \$	(Deficit)/ surplus \$	Transfer of funds \$	At 31.3.2009 \$
Funds held by Centres:-						
Agape Methodist Hospice	165,186	64,088	(268,678)	(204,590)	-	(39,404)
Bethany Homehelp Service	(71,773)	-	-	-	71,773	-
Bethany Methodist Nursing Home	671,158	7,239,506	(7,554,652)	(315,146)	(50,000)	306,012
Christalite Methodist Home	1,933,951	2,282,356	(1,655,412)	626,944	-	2,560,895
Covenant Family Service Centre	60,126	536,526	(651,016)	(114,490)	56,000	1,636
Daybreak Family Service Centre	203,273	935,454	(822,279)	113,175	-	316,448
D'Joy Children's Centre	63,297	441,686	(475,963)	(34,277)	16,481	45,501
iConnect Student Care Centre	9,830	154,775	(169,906)	(15,131)	9,343	4,042
Kampong Kapor Family Service Centre	899,858	1,020,024	(887,653)	132,371	-	1,032,229
Methodist Children & Youth Centre	(262,890)	997,773	(1,106,759)	(108,986)	371,876	-
Sembawang Family Service Centre	393,478	1,005,341	(824,416)	180,925	-	574,403
Tampines Family Service Centre	398,744	951,487	(851,909)	99,578	-	498,322
	4,464,238	15,629,016	(15,268,643)	360,373	475,473	5,300,084

2008

	At 1.4.2007 \$	Receipts \$	Expenditure \$	(Deficit)/ surplus \$	Transfer of funds \$	At 31.3.2008 \$
Funds held by Centres:-						
Agape Methodist Hospice	23,517	214,389	(72,720)	141,669	-	165,186
Bethany Homehelp Service	-	19,252	(91,025)	(71,773)	-	(71,773)
Bethany Methodist Nursing Home	1,499,562	5,249,388	(6,027,792)	(778,404)	(50,000)	671,158
Christalite Methodist Home	570,967	2,913,075	(1,550,091)	1,362,984	-	1,933,951
Covenant Family Service Centre	88,676	548,996	(619,762)	(70,766)	42,216	60,126
Daybreak Family Service Centre	159,538	903,861	(860,126)	43,735	-	203,273
D'Joy Children's Centre	11,074	552,622	(500,399)	52,223	-	63,297
iConnect Student Care Centre	(5,572)	172,720	(164,557)	8,163	7,239	9,830
Kampong Kapor Family Service Centre	723,731	995,675	(819,548)	176,127	-	899,858
Methodist Children & Youth Centre	(414,153)	1,483,605	(1,394,342)	89,263	62,000	(262,890)
Sembawang Family Service Centre	265,461	928,703	(800,686)	128,017	-	393,478
Tampines Family Service Centre	324,141	994,865	(920,262)	74,603	-	398,744
	3,246,942	14,977,151	(13,821,310)	1,155,841	61,455	4,464,238

16 Sinking Fund

	2009 \$	2008 \$
At 1 April	300,000	250,000
Transfer from Service Centres' Accumulated Fund (note 15)	50,000	50,000
Utilisation of Sinking Fund	(300,000)	–
At 31 March	50,000	300,000

This fund is for the future major repairs and maintenance of Bethany Methodist Nursing Home.

17 Fair Value Reserve

The reserve represents changes in the fair value of available-for-sale investments.

18 Asset Capitalisation Reserve

	2009 \$	2008 \$
At 1 April	162,617	24,502
Donation-in-kind received	20,000	–
Purchase of equipment/motor vehicle	44,368	160,425
Less depreciation charged (note 6)	(30,747)	(22,310)
At 31 March	196,238	162,617

Donation received in 2009 include tax deductible receipts of \$Nil (2008: \$55,500).

19 MWS - CSL Trust Endowment Fund for BMNH

	2009 \$	2008 \$
At 1 April	1,000,000	1,006,901
Bank interest received	–	20,472
Dividend income received	71,159	–
Loss on disposal of quoted equity	(11,643)	–
	1,059,516	1,027,373
Transferred to Bethany Methodist Nursing Home	(59,516)	(27,373)
At 31 March	1,000,000	1,000,000
Fair value reserve		
At 1 April	111,235	–
Fair value adjustments during the year	(470,298)	111,235
At 31 March	(359,063)	111,235

This is an endowment fund where in accordance with the wishes of Chen Su Lan Trust (the donor), the donation received from the donor of \$1,000,000 should not be expended but should be invested at the full discretion of the Board of Governance of the Society. The surplus of income from the investment less fees and any other payables in relation to the investment shall be used to pay for medical services at Bethany Methodist Nursing Home.

The endowment fund is represented by quoted equity investment at cost of \$986,933 (2008:\$483,765) (note 7) and the remainder in cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

20 Bursary Fund

	2009 \$	2008 \$
At 1 April	102,256	57,646
Donations	57,960	99,950
Bursary programme	(95,660)	(55,340)
Net (deficit)/surplus	(37,700)	44,610
At 31 March	64,556	102,256

The purpose of this fund is to provide bursary programme for poor and needy students. Donations received in 2009 include tax deductible receipts of \$31,260 (2008: \$75,950). The fund is held in cash.

21 Other Funds

2009	At 1.4.2008 \$	Receipts \$	Expenditure \$	Surplus/ (deficit) \$	At 31.3.2009 \$
Medifund	73,494	102,499	(36,417)	66,082	139,576
Medifund Silver	–	204,324	(132,372)	71,952	71,952
Motor Vehicle Fund	108,657	–	(63,326)	(63,326)	45,331
Fixed Asset Fund	2,157	–	–	–	2,157
North East Essentials Relief Fund	600	9,180	(6,300)	2,880	3,480
School Pocket Money Fund	103,230	460,150	(361,785)	98,365	201,595
Staff Crisis Fund	9,690	8,591	(6,000)	2,591	12,281
Financial Assistance Fund	84,750	5,500	(83,363)	(77,863)	6,887
	382,578	790,244	(689,563)	100,681	483,259

2008	At 1.4.2007 \$	Receipts \$	Expenditure \$	Surplus/ (deficit) \$	At 31.3.2008 \$
Medifund	5,968	168,099	(100,573)	67,526	73,494
Motor Vehicle Fund	220,697	–	(112,040)	(112,040)	108,657
Fixed Asset Fund	–	9,082	(6,925)	2,157	2,157
North East Essentials Relief Fund	3,200	–	(2,600)	(2,600)	600
School Pocket Money Fund	135,470	190,000	(222,240)	(32,240)	103,230
Staff Crisis Fund	9,690	–	–	–	9,690
Financial Assistance Fund	–	87,500	(2,750)	84,750	84,750
	375,025	454,681	(447,128)	7,553	382,578

Medifund

These are monies from the government to support any resident who has difficulties in paying their medical fees.

Medifund Silver

These are monies from the government to support any resident above 65 years old who has difficulties in paying their medical fees.

Motor Vehicle Fund

This fund is for the purchase and operating expenses of motor vehicles for Bethany Methodist Nursing Home and Christalite Methodist Home.

21 Other Funds (cont'd)

Fixed Asset Fund

This fund is for the purchase of equipment for Christalite Methodist Home. Receipts in 2009 included tax deductible donations of \$Nil (2008:\$4,727).

North East Essentials Relief Fund

These are funds received from the North East Community Development Council to provide immediate provisional and transport assistance to needy residents in the North East district.

School Pocket Money Fund

These are funds received from National Council of Social Service to finance needy students. It is disbursed to students as school pocket money.

Staff Crisis Fund

This fund was set up to assist foreign staff in need of urgent loans for problems back home.

Financial Assistance Fund

This fund is set up to provide financial assistance to needy families and children. Tax deductible receipts of \$5,500 (2008: \$87,500) was received during the year.

22 Related party transactions

In addition to related party transactions disclosed elsewhere in the financial statements, the following significant transactions took place between the Society and certain related parties on terms agreed by the parties concerned:

	2009	2008
	\$	\$
Food and refreshments	659,643	613,036
Medical services	181,670	-
Rental expenses	208,916	194,640
Donations received	(329,731)	(245,621)

Related parties are Methodist organisations which are affiliated to one another.

23 Commitments

At the balance sheet date, commitments authorised but not provided for in the financial statements are as follows:

	2009	2008
	\$	\$
Capital commitment expenditure for property, plant and equipment:		
– contracted for	455,390	37,500
– not contracted for	146,300	-
Cyclical maintenance expenditure:-		
– contracted for	637,000	2,000,000

24 Operating lease commitment

At balance sheet date, minimum lease payments for non-cancellable operating lease not provided for in the financial statements are as follows:

	2009	2008
	\$	\$
Within 1 year	511,200	511,200
Within 2 to 5 years	362,100	873,300

There is an option to renew the lease for another 3 years subject to agreement by the landlord.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

25 Contingent liability

On 5 October 2007, the Society was served with a writ of summons for a claim of \$375,000 in connection with the termination of an in-house catering contract for Bethany Methodist Nursing Home. The court hearing was held in March 2008 and the High Court ruled in favour of the Society. The plaintiffs appealed against the judgment. On 8 April 2009, the High Court dismissed the appeal by the plaintiffs with costs.

26 Management of reserves

The reserves are not expected to exceed the equivalent of one year's expenditure of the Society and its Centres, and are maintained so as to provide working capital, and to enable the Society and its Centres to develop over the longer term. No changes are made in the objectives, policies or processes during the financial years ended 31 March 2009 and 31 March 2008.

27 Financial instruments

a) Categories of financial instruments

Financial instruments as at balance sheet date are as follows:-

	2009 \$	2008 \$
<i>Financial assets</i>		
Sundry receivables	1,055,974	1,149,588
Fixed deposits	7,409,176	7,054,427
Cash and bank balances	2,777,618	2,763,239
Loans and receivables	11,242,768	10,967,254
Available-for-sale investments	3,041,744	1,330,803
<i>Financial liabilities</i>		
Sundry payables and accruals at amortised cost	1,865,031	1,670,251

b) Financial risk management

Overall risk management is determined and carried out by the Board of Governance. Due to the nature of the Society's activities, it has minimal financial risks exposure.

Foreign exchange risk

The Society's exposure to foreign exchange risk is minimal as nearly all of its transactions are in Singapore dollars.

Credit risk

The Society's exposure to credit risk arises primarily from sundry receivables, fixed deposits and cash and bank balances. The Society has no significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the balance sheet.

Financial assets that are neither past due nor impaired

Sundry receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Society. Fixed deposits and cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 8.

27 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Interest rate risk

The Society's income and operating cash flows are substantially independent of changes in market interest rates although it has significant interest-bearing deposits with financial institutions. The Society has no interest-bearing liabilities.

The sensitivity analysis for interest rate is not disclosed as the effect on the financial statements is not expected to be significant.

Liquidity risk

The Board of Governance exercises prudent liquidity and cash flow risk management policies and aims to maintain sufficient level of liquidity and cash flows at all times.

The financial liabilities of the Society as presented in the balance sheet are due within twelve months from the balance sheet and approximate the contractual undiscounted payments.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Society is exposed to changes in equity price arising from its investment in quoted equity instruments. These equity instruments are quoted on SGX-ST in Singapore and are classified as available-for-sale financial assets. The Society does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

As at 31 March 2009, the Society's investment in available-for-sale is \$3,041,744 (2008: \$1,330,803). A 10% increase/(decrease) in the underlying equity prices at the reporting date would increase/decrease by equity of \$304,174 (2008: \$133,080).

This analysis assumes that all other variables remain constant.

c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Society approximate their fair values.

28 Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 March 2009 were authorised for issue in accordance with a resolution of the Board of Governance dated 11 July 2009.

FINANCIAL HIGHLIGHTS

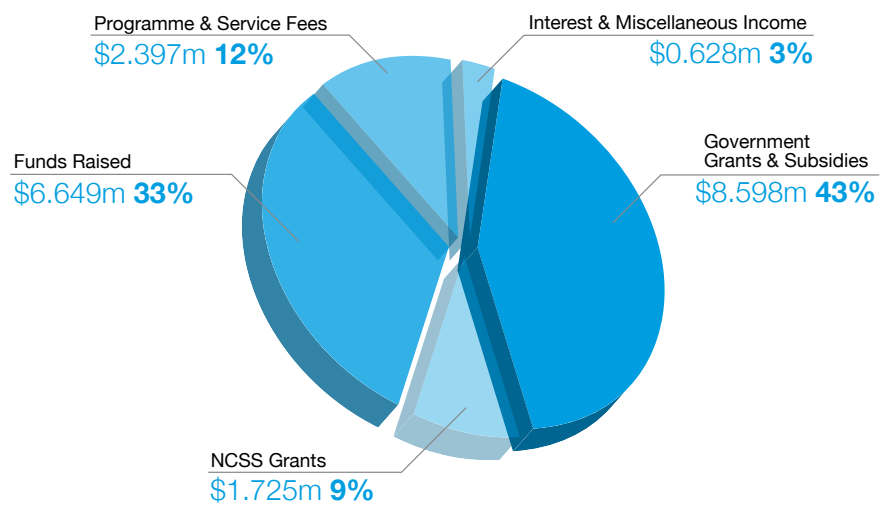
For the financial year ended 31 March 2009

2009年3月31日财政年度的财务信息

Distribution of Income & Expenditure 收入与支出的分配

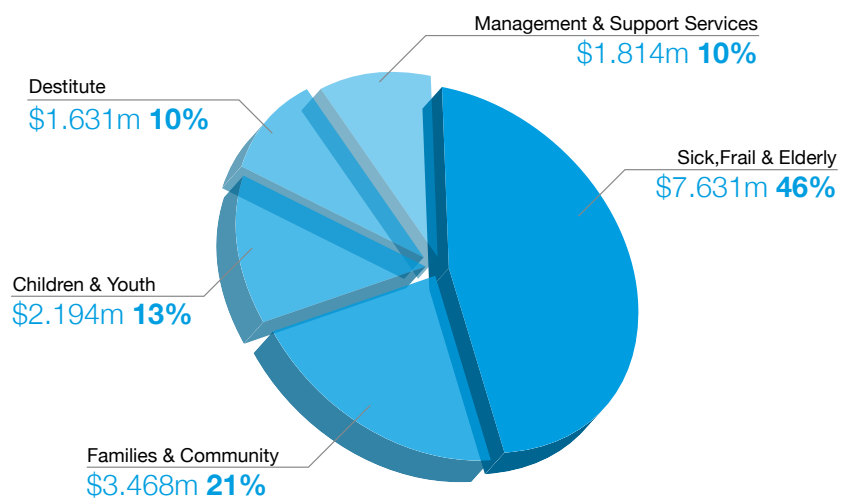
Sources of Income

Total: \$19.997 million



Operating Expenditure

Total: \$16.738 million



Fundraising Efficiency Ratio 费用筹款比率

	2009 \$	2008 \$
Donations	3,204,267	2,761,273
Sponsorships	29,445	32,240
Total Donations and sponsorships	3,233,712	2,793,513
Direct fundraising expenses	220,227	198,992
Sponsorships	29,445	32,240
Indirect / Allocated Costs	1,293	10,285
Total fundraising expenditure	250,965	241,517
Surplus	2,982,747	2,551,996
Fundraising Efficiency Ratio before sponsorship	0.07	0.08
Fundraising Efficiency Ratio with sponsorship	0.08	0.09

Gross Annual Salary Bands with Corresponding Number of Employees as at 31 March 2009*

2009年3月31日与员工人数相等的总年薪段

Gross Annual Salary Range (\$\$)	Number of Employees
< 50,000	264
50,001 - 100,000	34
100,001 - 150,000	1
> 150,000	0
Total	299

*Does not include staff of MCYC