



Methodist
Welfare
Services

METHODIST WELFARE SERVICES
FINANCIAL STATEMENTS FY2014/15



CONNECTING JOURNEYS

HOPE • STRENGTH • GRACE • CARE • WARMTH

METHODIST WELFARE SERVICES

Financial Statements For The Financial
Year Ended 31 March 2015

CONTENTS

Statement by the Board of Governance	01
Independent Auditor's Report	02
Statement of Comprehensive Income	04
Balance Sheet	05
Statement of Changes in Accumulated Fund and Specific Funds	06
Statement of Cash Flows	10
Notes to the Financial Statements	11



BAKER TILLY
TFW

Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

**METHODIST WELFARE SERVICES
STATEMENT BY THE BOARD OF GOVERNANCE**

On behalf of the Board of Governance, we do hereby state that, to the best of our knowledge, the financial statements of Methodist Welfare Services (the "Society") as set out on pages 4 to 36 are properly drawn up in accordance with the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects the financial position of the Society as at 31 March 2015 and the financial performance, changes in accumulated fund and specific funds and cash flows of the Society for the financial year ended on that date.



DAVID WONG CHEONG FOOK
Chairman



JOSEPH TOH GUAN KIAT
Honorary Treasurer

11 July 2015

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF METHODIST WELFARE SERVICES****Report on the Financial Statements**

We have audited the accompanying financial statements of Methodist Welfare Services (the "Society") as set out on pages 4 to 36, which comprise the balance sheet as at 31 March 2015, and the statement of comprehensive income, statement of changes in accumulated fund and specific funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Governance's Responsibility for the Financial Statements

The Board of Governance is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Singapore Charities Act (the "Charities Act") and Singapore Financial Reporting Standards, and for such internal control as the Board of Governance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 the Board of Governance, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the Society are properly drawn up in accordance with the Societies Act, Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects the financial position of the Society as at 31 March 2015 and the financial performance, changes in accumulated fund and specific funds and cash flows of the Society for the financial year ended on that date.

Emphasis of Matter

We draw attention to Note 3 to the financial statements. The Board of Governance has estimated the useful life of the Society's leasehold building to be 30 years. This is not in compliance with FRS 16 *Property, Plant and Equipment* as the Society only has a 3 years' lease agreement for the land on which the leasehold building is erected. Information about the Board of Governance's assumptions and estimation of the useful life of the Society's leasehold building are disclosed in Note 3 and we concur with the Board of Governance's basis as disclosed therein. The carrying amount of the leasehold building at the balance sheet date, together with the effect on the financial statements had the Society complied with FRS 16 are disclosed in Note 3. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
METHODIST WELFARE SERVICES (cont'd)**

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations; and
- (b) the fund-raising appeal held during the financial year ended 31 March 2015 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 fund-raising appeal.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (a) the use of the donation moneys was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

BAKER TILLY TFW LLP

Public Accountants and Chartered
Accountants Singapore

11 July 2015

METHODIST WELFARE SERVICES

STATEMENT OF COMPREHENSIVE INCOME
For the Financial Year Ended 31 March 2015

	Note	2015 \$	Restated 2014 \$
Income			
Donations	4	5,991,976	3,626,968
Fund-raising income	4	4,881,784	4,561,758
Government grants	5	11,459,861	11,323,743
NCSS grants		447,398	440,218
Programme income		2,418,959	2,359,769
Amortisation of:			
- Capital grants	15	201,364	225,235
- Building grants	16	303,391	303,671
Other income	6	629,910	571,141
Total income		26,334,643	23,412,503
Less expenditure			
Expenditure on manpower	7	14,016,207	12,673,148
Depreciation of property, plant and equipment	9	811,093	855,156
Maintenance		1,713,743	1,598,525
General expenditure		5,466,519	5,352,107
Total expenditure		22,007,562	20,478,936
Surplus for the year transferred to Accumulated Funds	8	4,327,081	2,933,567
Surplus/(deficit) from funds:			
Asset Capitalisation Reserve	21	(168,925)	(50,405)
Bursary Fund	23	(23,210)	(8,799)
Community Outreach Project Fund	24	(42,420)	(48,815)
Community Silver Trust	25	820,112	(64,533)
MWS - CSL Trust Endowment Fund for BMNH	26	7,439	24,369
Care & Share Grant	27	262,700	-
Other Funds	28	(222,972)	(428,876)
		632,724	(577,059)
Other comprehensive income/(loss) for the year, net of tax:			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Fair value gains/(losses) on available-for-sale financial assets			
- MWS - CSL Trust Endowment Fund for BMNH		110,364	(135,491)
- Others		462,467	(177,004)
Reclassification of fair value reserve to profit or loss on disposal of available-for-sale financial assets			
- MWS - CSL Trust Endowment Fund for BMNH		(4,433)	(15,370)
- Others		45,983	(32,394)
		614,381	(360,259)
Surplus and total comprehensive income for the year		5,574,186	1,996,249
Surplus for the year was transferred as follows:			
General Accumulated Fund	18	5,112,695	4,203,290
Service Centres' Accumulated Funds included in			
- Unrestricted Funds	19	(594,129)	(1,269,723)
- Restricted Funds	19	(191,485)	-
		4,327,081	2,933,567

METHODIST WELFARE SERVICES

BALANCE SHEET At 31 March 2015

		31.3.2015	Restated 31.3.2014	Restated 1.4.2013
	Note	\$	\$	\$
Non-current assets				
Property, plant and equipment	9	7,387,109	7,211,687	7,368,920
Available-for-sale financial assets	10	7,727,841	6,954,349	7,278,855
Held-to-maturity financial assets	11	2,523,405	2,507,147	1,753,750
		17,638,355	16,673,183	16,401,525
Current assets				
Held-to-maturity financial assets	11	250,500	-	-
Other receivables	12	2,571,273	2,398,874	2,397,523
Fixed deposits	13	26,200,000	21,500,000	21,411,081
Cash and bank balances	14	5,845,341	5,925,933	4,196,044
		34,867,114	29,824,807	28,004,648
Total assets		52,505,469	46,497,990	44,406,173
Non-current liabilities				
Capital grants	15	314,581	225,409	450,644
Building grants	16	5,031,118	5,334,509	5,638,180
		5,345,699	5,559,918	6,088,824
Current liabilities				
Sundry payables and accruals	17	3,339,659	2,692,147	2,067,673
Total liabilities		8,685,358	8,252,065	8,156,497
Net assets		43,820,111	38,245,925	36,249,676
Funds				
Unrestricted Funds				
General Accumulated Fund	18	28,677,606	24,201,182	22,042,787
Service Centres' Accumulated Funds	19	6,634,276	9,763,305	9,138,133
Fair Value Reserve	20	1,333,746	825,296	1,034,694
Asset Capitalisation Reserve	21	541,020	217,675	224,671
		37,186,648	35,007,458	32,440,285
Restricted Funds				
Service Centres' Accumulated Funds	19	2,829,686	-	-
Building Maintenance Fund	22	369,387	319,387	269,387
Bursary Fund	23	-	23,210	32,009
Community Outreach Project Fund	24	48,041	90,461	139,276
Community Silver Trust	25	1,313,366	722,824	830,766
MWS - CSL Trust Endowment Fund for BMNH	26	1,279,396	1,166,026	1,292,518
Care & Share Grant	27	-	-	-
Other Funds	28	793,587	916,559	1,245,435
		6,633,463	3,238,467	3,809,391
Total funds		43,820,111	38,245,925	36,249,676

METHODIST WELFARE SERVICES
STATEMENT OF CHANGES IN
ACCUMULATED FUND AND SPECIFIC FUNDS
For the Financial Year Ended 31 March 2015

----- Unrestricted Funds -----

	General Accumulated Fund	Service Centres' Accumulated Fund	Fair Value Reserve	Asset Capitalisation Reserve	Total Unrestricted Funds
\$	\$	\$	\$	\$	\$
2014					
At 1.4.2013 (as previously reported)	22,042,787	7,948,335	1,034,694	224,671	31,250,487
Prior year adjustments (Note 33)	-	1,189,798	-	-	1,189,798
At 1.4.2013 (as restated)	22,042,787	9,138,133	1,034,694	224,671	32,440,285
Surplus/(deficit) for the year (restated)	4,203,290	(1,269,723)	-	(50,405)	2,883,162
Other comprehensive loss for the year, net of tax:					
- Fair value losses on available-for-sale financial assets	-	-	(177,004)	-	(177,004)
- Reclassification of fair value reserve to profit or loss on disposal of available-for-sale financial assets	-	-	(32,394)	-	(32,394)
Total comprehensive income/(loss) for the year (restated)	4,203,290	(1,269,723)	(209,398)	(50,405)	2,673,764
Transfer of funds	(2,044,895)	1,894,895	-	43,409	(106,591)
At 31.3.2014 (as restated)	24,201,182	9,763,305	825,296	217,675	35,007,458

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

METHODIST WELFARE SERVICES

STATEMENT OF CHANGES IN ACCUMULATED FUND AND SPECIFIC FUNDS (cont'd)

For the Financial Year Ended 31 March 2015

----- Restricted Funds -----

	Service Centres' Accumulated Fund	Building Maintenance Fund	Bursary Fund	Community Outreach		MWS - CSL Trust		Care & Share Grant	Other Funds	Total Restricted Funds	Total Funds
				Project Fund	Silver Trust	Endowment Fund for BMNH	Trust				
2014											
At 1.4.2013 (as previously reported)	-	269,387	32,009	139,276	830,766	1,292,518	-	1,245,435	-	3,809,391	35,059,878
Prior year adjustments (Note 33)	-	-	-	-	-	-	-	-	-	-	1,189,798
At 1.4.2013 (as restated)	-	269,387	32,009	139,276	830,766	1,292,518	-	1,245,435	-	3,809,391	36,249,676
Surplus/(deficit) for the year (restated)	-	-	(8,799)	(48,815)	(64,533)	24,369	-	(428,876)	-	(526,654)	2,356,508
Other comprehensive loss for the year, net of tax:											
- Fair value losses on available-for-sale financial assets	-	-	-	-	-	(135,491)	-	-	-	(135,491)	(312,495)
- Reclassification of fair value reserve to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	(15,370)	-	-	-	(15,370)	(47,764)
Total comprehensive income/(loss) for the year (restated)	-	-	(8,799)	(48,815)	(64,533)	(126,492)	-	(428,876)	-	(677,515)	1,996,249
Transfer of funds	-	50,000	-	-	(43,409)	-	-	100,000	-	106,591	-
At 31.3.2014 (as restated)	-	319,387	23,210	90,461	722,824	1,166,026	-	916,559	-	3,238,467	38,245,925

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

METHODIST WELFARE SERVICES

**STATEMENT OF CHANGES IN ACCUMULATED FUND AND SPECIFIC FUNDS (cont'd)
For the Financial Year Ended 31 March 2015**

----- Unrestricted Funds -----

	General Accumulated Fund	Service Centres' Accumulated Fund	Fair Value Reserve	Asset Capitalisation Reserve	Total Unrestricted Funds
	\$	\$	\$	\$	\$
2015					
At 1.4.2014 (as previously reported)	24,201,182	8,636,728	825,296	217,675	33,880,881
Prior year adjustments (Note 33)	-	1,126,577	-	-	1,126,577
At 1.4.2014 (as restated)	24,201,182	9,763,305	825,296	217,675	35,007,458
Surplus/(deficit) for the year	5,112,695	(594,129)	-	(168,925)	4,349,641
Other comprehensive income for the year, net of tax:					
- Fair value gains on available-for-sale financial assets	-	-	462,467	-	462,467
- Reclassification of fair value reserve to profit or loss on disposal of available-for-sale financial assets	-	-	45,983	-	45,983
Total comprehensive income/(loss) for the year	5,112,695	(594,129)	508,450	(168,925)	4,858,091
Reclassification to restricted funds	-	(2,951,465)	-	-	(2,951,465)
Transfer of funds	(636,271)	416,565	-	492,270	272,564
At 31.3.2015	28,677,606	6,634,276	1,333,746	541,020	37,186,648

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

METHODIST WELFARE SERVICES

STATEMENT OF CHANGES IN ACCUMULATED FUND AND SPECIFIC FUNDS (cont'd)

For the Financial Year Ended 31 March 2015

----- Restricted Funds -----

	Service Centres' Accumulated Fund	Building Maintenance Fund	Bursary Fund	Community Outreach		MWS - CSL Trust		Care & Share Grant	Other Funds	Total Restricted Funds	Total Funds
				Project Fund	Silver Trust	Community Fund	Endowment Fund for BMNH				
2015											
At 1.4.2014 (as previously reported)	-	319,387	23,210	90,461	722,824	1,166,026	-	916,559	3,238,467	37,119,348	
Prior year adjustments (Note 33)	-	-	-	-	-	-	-	-	-	-	1,126,577
At 1.4.2014 (as restated)	-	319,387	23,210	90,461	722,824	1,166,026	-	916,559	3,238,467	38,245,925	
(Deficit)/surplus for the year	(191,485)	-	(23,210)	(42,420)	820,112	7,439	262,700	(222,972)	610,164	4,959,805	
Other comprehensive income for the year, net of tax:											
- Fair value gains on available-for-sale financial assets	-	-	-	-	-	110,364	-	-	110,364	572,831	
- Reclassification of fair value reserve to profit or loss on disposal of available-for-sale financial assets	-	-	-	-	-	(4,433)	-	-	(4,433)	41,550	
Total comprehensive income/(loss) for the year	(191,485)	-	(23,210)	-	820,112	113,370	262,700	(222,972)	716,095	5,574,186	
Reclassification to restricted funds	2,951,465	-	-	-	-	-	-	-	2,951,465	-	
Transfer of funds	69,706	50,000	-	-	(229,570)	-	(262,700)	100,000	(272,564)	-	
At 31.3.2015	2,829,686	369,387	-	48,041	1,313,366	1,279,396	-	793,587	6,633,463	43,820,111	

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

METHODIST WELFARE SERVICES**STATEMENT OF CASH FLOWS****For the Financial Year Ended 31 March 2015**

		2015	Restated 2014
	Note	\$	\$
Cash flows from operating activities			
Surplus for the year		4,327,081	2,933,567
Adjustments for:			
Amortisation of:			
- Capital grants	15	(201,364)	(225,235)
- Building grants	16	(303,391)	(303,671)
Depreciation of property, plant and equipment	9	811,093	855,156
Dividend income		(153,392)	(165,473)
Interest income		(295,120)	(194,416)
Loss/(gain) on disposal of available-for-sale financial assets		45,983	(32,394)
Property, plant and equipment written off		1,688	43,486
		<hr/> 4,232,578	2,911,020
Operating surplus before working capital changes			
Receivables		(172,399)	(1,351)
Payables		647,512	624,474
		<hr/> 4,707,691	3,534,143
Net cash from operating activities			
Cash flows from investing activities			
Dividend received		153,392	165,473
Purchase of property, plant and equipment	9	(1,157,128)	(791,814)
Interest received		295,120	194,416
Purchase of available-for-sale financial assets		(475,377)	(408,402)
Proceeds from disposal of available-for-sale financial assets		274,716	420,413
Purchase of held-to-maturity financial assets		(266,758)	(753,397)
		<hr/> (1,176,035)	(1,173,311)
Net cash used in investing activities			
Cash flows from funds			
Net receipts from/(payments to):			
Asset Capitalisation Reserve	21	262,700	-
Bursary Fund	23	(23,210)	(8,799)
Capital Grants	15	290,536	-
Community Outreach Project Fund	24	(42,420)	(48,815)
Community Silver Trust	25	820,112	(64,533)
MWS - CSL Trust Endowment Fund for BMNH	26	3,006	8,999
Other Funds	28	(222,972)	(428,876)
		<hr/> 1,087,752	(542,024)
Net cash from/(used in) funds			
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		27,425,933	25,607,125
		<hr/> 32,045,341	27,425,933
Cash and cash equivalents at end of financial year			
Cash and cash equivalents comprise:			
Fixed deposits		26,200,000	21,500,000
Cash and bank balances		5,845,341	5,925,933
		<hr/> 32,045,341	27,425,933

METHODIST WELFARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 March 2015

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

1 GENERAL INFORMATION

Methodist Welfare Services (the "Society") is registered in Singapore under the Societies Act.

The principal activities of 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, #05-01, Singapore 309936.

The principal activities of the service centres of the Society are as follows:

Agape Methodist Hospice

The Hospice homecare service provides palliative homecare, befriending, and loan of equipment to those with life-limiting illnesses.

Bethany Methodist Nursing Home

The Home provides residential quarters and rehabilitation facilities for the sick and needy requiring nursing care.

Charis Activity Centre for Elders

The Centre provides services to help the elderly to age in place, where they live comfortably in their own home and community while facing the challenges of ageing. It also serves as an integrated resource network to promote the well-being of the elderly residents in Geylang East neighbourhood.

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.

D'Joy Children's Centre

The Centre comprises childcare and student care facilities, for children of working parents.

Familyworks Community Services

The Centre offers programmes and services to help children and families in the Punggol community. Services include school-based social work, parenting and family education programmes and activities for the students and their families.

HomeJoy Services

The Centre is a home care ensuite service that provides assistance to frail elderly persons in areas of personal hygiene and grooming, engagement programmes, assistance in housekeeping, medication reminder and other personal care tasks. The Centre commenced operations on 8 December 2014.

Residence@St George's

The Centre provides a place of safety and a conducive environment for the physical, social and psychological development for the young female adult probationer.

1 GENERAL INFORMATION (cont'd)***Service Planning & Development***

The Centre advances, facilitates and researches programmes and social issues for the promotion of effective social interventions.

Wesley Seniors Activity Centre

The Centre provides support services and activities for senior citizens living in the Jalan Berseh neighbourhood.

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 three family service centres are:

Covenant Family Service Centre***Daybreak Family Service Centre******Tampines Family Service Centre*****2 SUMMARY OF 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 the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards ("FRS") except for the departure from FRS 16 *Property, Plant and Equipment* which is permitted by FRS 1 *Presentation of Financial Statements* as disclosed in Note 3. 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 income and expenditure 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. The areas involving a higher degree of judgment or complexity, or area when assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, other current receivables and payables 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 and revised FRS and INT FRS did not have any material effect on the financial results or position of the Society.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of Preparation (cont'd)

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 March 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society except as disclosed below:

FRS 109 Financial Instruments

FRS 109 includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments. FRS 109, when effective will replace FRS 39 *Financial Instruments: Recognition and Measurement*. This standard is effective for annual periods beginning on or after 1 January 2018. The Society will review the requirements of FRS 109 and re-assess the classification and measurement of its financial assets and financial liabilities in accordance with this standard.

(b) Income Recognition

Income is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Society, and the amount of income and related expenditure can be reliably measured.

Donations	- when received
Fund-raising 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
Dividend income	- when the right to receive payment is established

(c) Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Capital grants

Grants received/receivable for the purpose of maintaining, converting, renovating and furnishing a space for the use as a centre and upgrading the accounting system, server and database management system are capitalised in the Capital Grants account and amortised in accordance with the depreciation of the cost of the respective assets acquired using the grants.

Grants received for the purpose of construction of the building, and purchase of furniture and 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 service centres and building grants received for the nursing home less the amounts amortised to income or expenditure 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 income or expenditure in the period to which they relate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(d) Employee Benefits***Employee leave entitlement*

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

Defined contribution plans

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are charged to income or expenditure in the period in which the related service is performed.

(e) Income Tax

The Society is exempted 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.

(f) Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost and subsequently stated 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
Computers	- 3 years
Furniture, fittings and office equipment	- 5 to 10 years
Motor vehicles	- 10 years
Renovations	- 5 years

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

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

(g) 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 income or expenditure.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Financial Assets

Classification

The Society classifies its financial assets in the following categories: loans and receivables, held-to-maturity 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.

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" (excluding prepayments), "fixed deposits" and "cash and bank balances" on the balance sheet.

Financial asset, held-to-maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity.

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.

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 disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure. Any amount in the fair value reserve relating to that asset is also transferred to income or expenditure.

Initial Measurement

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

Subsequent Measurement

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

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 income or expenditure and the other changes are recognised in other comprehensive income and accumulated in fair value reserve within the fund. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in fair value reserve within the fund, together with the related currency translation differences.

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

Interest and dividend income on financial assets, available-for-sale are recognised separately in income or expenditure.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(h) Financial Assets (cont'd)*****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 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 recognised in income or expenditure is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against allowance account. Subsequent recoveries of amounts previously written off are recognised in income or expenditure.

If in subsequent periods, the impairment loss decreases, and the decrease can be related to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through income or expenditure to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

Financial assets, held-to-maturity

If there is objective evidence that an impairment loss on held-to-maturity financial assets has incurred, the carrying amount of the asset is reduced by an allowance for impairment. This allowance, calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate, is recognised in income or expenditure in the period in which the impairment occurs.

Impairment loss is reversed through income or expenditure if the impairment loss decrease can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

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 reclassified to income or expenditure. 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.

Impairment losses on debt instruments classified as available-for-sale financial assets are reversed through income or expenditure when the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised. However, impairment losses recognised in income or expenditure on equity instruments classified as available-for-sale financial assets are not reversed through income or expenditure.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Financial Liabilities

Financial liabilities comprise sundry payables and accruals (excluding fees received in advance, provision for unutilised annual leave and deferred income) are recognised on the balance sheet when, and only when the Society becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in income or expenditure when the liabilities are derecognised and through the amortisation process.

(j) Provision for Liabilities

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic 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.

(k) Asset Capitalisation Reserve

Specific donations given for the purchase of property, plant and equipment, which have been capitalised in the relevant property, plant and equipment accounts are credited to the Asset Capitalisation Reserve. Depreciation on the property, plant and equipment funded by the donation is charged directly to the Asset Capitalisation Reserve.

(l) Operating Leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to income or expenditure on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expenditure in the period in which termination takes place.

(m) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

(n) Funds

Unless specifically indicated, fund balances are not represented by any specific assets or liabilities but are represented by all assets of the Society.

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 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 believes that the landlord will continue to renew the lease up to the conclusion of the 30 years because the building grants received from the Ministry of Health ("MOH") is conditional upon the Society agreeing to operate Bethany Methodist Nursing Home ("BMNH") for 30 years.

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

At 31 March 2015, the carrying amount of the building is \$5,590,488 (31.3.2014: \$5,939,319) and the building grants balances relating to the building is \$5,031,118 (31.3.2014: \$5,334,509).

Had the Society depreciated the building over its 3 years lease period which commenced from 2001, the financial statements of the Society at 31 March 2015 would be revised as follows:

- the carrying amounts of the building and the related building grants balances relating to the building at 31 March 2015 would be \$Nil (31.3.2014: \$Nil); and
- the depreciation expense on the building and the corresponding amortisation of building grants for the financial year would be \$Nil (31.3.2014: \$Nil).

The net positive impact on the Society's surplus for the financial year is \$45,440 (2014:\$45,160).

4 DONATIONS/FUND-RAISING INCOME

Included in donations are tax deductible and non-tax deductible receipts of \$3,525,830 (2014: \$2,119,954) and \$2,466,146 (2014: \$1,507,014) respectively.

Included in fund-raising income are tax deductible and non-tax deductible receipts of \$4,745,351 (2014: \$4,353,576) and \$136,433 (2014: \$208,182) respectively.

Total direct fund-raising expenses are \$374,513 (2014: \$363,044). Included are expenditure of manpower expenses incurred for fund-raising of \$186,482 (2014: \$166,181).

5 GOVERNMENT GRANTS

	2015	2014
	\$	\$
Government subvention	9,922,956	10,232,471
Care & Share grant	37,300	-
Community Silver Trust grant	456,465	82,878
Rental subsidy	587,931	579,806
IRAS Wage Credit and Special Employment Credit	323,599	212,267
Other grants	131,610	216,321
	11,459,861	11,323,743

6 OTHER INCOME	2015	2014
	\$	\$
Interest income from fixed deposits and bank balances	153,245	124,541
Interest income from held-to-maturity financial assets	141,875	69,875
Dividend income from available-for-sale financial assets	153,392	165,473
Other grants	85,479	59,337
Income from MWS - CSL Trust Endowment Fund for BMNH (Note 26)	54,433	65,370
Gain on disposal of available-for-sale financial assets	-	32,394
Sundry income	41,486	54,151
	629,910	571,141

7 EXPENDITURE ON MANPOWER	2015	2014
	\$	\$
Salaries and related costs	12,161,613	11,041,459
CPF	1,228,005	1,111,582
Manpower contract services	114,832	123,622
Other staff benefits and training	511,757	396,485
	14,016,207	12,673,148

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

Salaries and related costs	1,513,377	1,345,439
CPF	136,759	125,681
	1,650,136	1,471,120

Key management staff comprise Directors of Headquarters and Heads of service centres.

8 SURPLUS FOR THE YEAR TRANSFERRED TO ACCUMULATED FUNDS

This is arrived at after charging:	2015	2014
	\$	\$
Allowance for doubtful receivables	5,654	100,648
Bad debts written off	878	-
Food and refreshments	910,359	868,544
Input GST not recoverable	318,108	292,895
Loss on disposal of available-for-sale financial assets	45,983	-
Medical supplies	770,229	816,073
Professional fees	872,023	663,425
Property, plant and equipment written off	1,688	43,486
Rent of building, equipment and others	977,680	935,848
Repairs and maintenance	736,063	662,677
Specific assistance to clients	948,195	811,466
Stationery and printing	129,485	162,701
Supplies and materials	494,492	600,162
Utilities	453,642	500,548

9 PROPERTY, PLANT AND EQUIPMENT

	Building	Equipment	Computers	Furniture, fittings and office equipment	Motor Vehicles	Renovations	Total
	\$	\$	\$	\$	\$	\$	\$
2015							
Cost							
At 1.4.2014	10,462,931	312,246	646,745	1,466,742	289,068	2,913,353	16,091,085
Additions	-	46,044	-	32,971	68,500	1,009,613	1,157,128
Write-offs	-	(108,718)	(67,138)	(970,305)	(40,000)	(7,160)	(1,193,321)
Reclassifications	-	16,500	-	(16,500)	-	-	-
At 31.3.2015	10,462,931	266,072	579,607	512,908	317,568	3,915,806	16,054,892
Accumulated Depreciation							
At 1.4.2014	4,523,612	157,491	517,879	1,238,636	189,951	2,251,829	8,879,398
Depreciation charge	348,831	26,018	74,579	50,461	31,757	446,997	978,643
Write-offs	-	(108,718)	(67,121)	(967,259)	(40,000)	(7,160)	(1,190,258)
Reclassifications	-	12,100	-	(12,100)	-	-	-
At 31.3.2015	4,872,443	86,891	525,337	309,738	181,708	2,691,666	8,667,783
Net carrying value							
At 31.3.2015	5,590,488	179,181	54,270	203,170	135,860	1,224,140	7,387,109

2014

Cost							
At 1.4.2013	10,462,931	287,938	846,374	1,310,083	289,068	2,607,295	15,803,689
Additions	-	92,513	24,000	193,899	-	481,402	791,814
Write-offs	-	(68,205)	(223,629)	(37,240)	-	(175,344)	(504,418)
At 31.3.2014	10,462,931	312,246	646,745	1,466,742	289,068	2,913,353	16,091,085
Accumulated Depreciation							
At 1.4.2013	4,174,781	161,562	657,586	1,220,881	161,044	2,058,915	8,434,769
Depreciation charge	348,831	25,671	80,047	53,847	28,907	368,258	905,561
Write-offs	-	(29,742)	(219,754)	(36,092)	-	(175,344)	(460,932)
At 31.3.2014	4,523,612	157,491	517,879	1,238,636	189,951	2,251,829	8,879,398
Net carrying value							
At 31.3.2014	5,939,319	154,755	128,866	228,106	99,117	661,524	7,211,687

Depreciation is charged to:

	2015	2014
	\$	\$
Statement of Comprehensive Income	811,093	855,156
Asset Capitalisation Reserve (Note 21)	167,550	50,405
	978,643	905,561

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS	31.3.2015	31.3.2014
	\$	\$
At fair value:		
Investment fund	2,932,972	2,762,581
Quoted equity investments		
- Chen Su Lan Trust Fund (Note 26)	1,235,109	1,110,619
- Others	3,559,760	3,081,149
	7,727,841	6,954,349

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 and is managed by MCS Investment Panel. The Society contributed \$2,141,283 (31.3.2014: \$2,141,283) to the total pooled funds. The pooled funds are primarily placed in quoted equity securities, quoted bonds and cash at bank.

11 HELD-TO-MATURITY FINANCIAL ASSETS	31.3.2015	31.3.2014
	\$	\$
Debt securities		
<i>Non-current</i>		
- Bonds with fixed interest of 5.00% per annum and maturity date 7 September 2015 - Singapore	-	250,500
- Bonds with fixed interest of 5.25% per annum and maturity date 20 May 2016 - Singapore	250,000	250,000
- Bonds with fixed interest of 4.25% per annum and maturity date 26 April 2017 - Singapore	250,500	250,500
- Bonds with fixed interest of 3.55% per annum and maturity date 1 September 2017 - Singapore	501,000	501,000
- Preference shares with coupon rate of 4.00% per annum and maturity date 17 January 2018 - Singapore	250,750	250,750
- Bonds with fixed interest of 4.30% per annum and maturity date 31 August 2020 - Singapore	250,500	250,500
- Bonds with fixed interest of 3.30% per annum and maturity date 21 February 2022 - Singapore	250,500	250,500
- Perpetual Bonds with fixed interest of 7.00% per annum and maturity date 29 September 2049 - Singapore	266,758	-
- Perpetual Bonds with fixed interest of 7.80% per annum and maturity date 29 September 2049 - Singapore	257,447	257,447
- Perpetual Bonds with fixed interest of 8.75% per annum and maturity date 31 December 2049 - Singapore	245,950	245,950
	2,523,405	2,507,147
<i>Current</i>		
- Bonds with fixed interest of 5.00% per annum and maturity date 7 September 2015 - Singapore	250,500	-
	2,773,905	2,507,147

The fair values of the debt securities at the balance sheet date are amounted to \$2,776,425 (31.3.2014: \$2,558,313). The fair values are determined based on market prices provided by financial institutions at the balance sheet date.

12 OTHER RECEIVABLES

	31.3.2015	Restated 31.3.2014
	\$	\$
Grant receivables - not past due and not impaired	1,457,163	1,158,954
Sundry receivables	704,500	845,941
Sundry deposits	210,370	237,185
Prepayments	199,240	156,794
	2,571,273	2,398,874

(a) Sundry receivables comprise:

	31.3.2015	31.3.2014
	\$	\$
Not past due and not impaired	149,975	172,242
Past due but not impaired	554,525	673,699
Past due and impaired	81,884	268,590
	786,384	1,114,531
Allowance for doubtful receivables	(81,884)	(268,590)
	704,500	845,941

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

	\$	\$
Past due 0 - 30 days	82,909	170,417
Past due 31 - 60 days	39,345	126,868
Past due 61 days and over	432,271	376,414
	554,525	673,699

(b) Sundry receivables are stated after making allowance for doubtful receivables as follows:

	2015	2014
	\$	\$
At 1 April	268,590	390,194
Allowance made	5,774	135,502
Allowance written back	(120)	(34,854)
Amounts written off against allowance	(192,360)	(222,252)
At 31 March	81,884	268,590
Bad debts directly written off to income or expenditure	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.

13 FIXED DEPOSITS

All fixed deposits are placed with banks and matured within 12 months from the balance sheet date. At the balance sheet date, the interest rates of these fixed deposits range from 0.50% to 1.10% (31.3.2014: 0.30% to 1.40%) per annum.

14 CASH AND BANK BALANCES	31.3.2015	31.3.2014
	\$	\$
Cash on hand and at bank	5,650,691	5,623,097
Cash with broker	194,650	302,836
	<hr/> 5,845,341	<hr/> 5,925,933

15 CAPITAL GRANTS	2015	2014
	\$	\$
Cost		
At 1 April	1,219,505	1,219,505
Grant received/receivable	290,536	-
	<hr/> 1,510,041	<hr/> 1,219,505
Accumulated amortisation		
At 1 April	994,096	768,861
Amortisation during the financial year	201,364	225,235
	<hr/> 1,195,460	<hr/> 994,096
Net carrying value		
At 31 March	<hr/> 314,581	<hr/> 225,409

These are capital grants received for the purpose of:

- (a) renovation, and hostel and ward conversion, which are amortised over useful life of 5 years;
- (b) upgrading of server and data management system, which are amortised over useful life of 3 years; and
- (c) purchase of video conference equipment, which is amortised over useful life of 10 years.

16 BUILDING GRANTS	2015	2014
	\$	\$
Cost		
At 1 April and 31 March	10,141,625	10,141,625
Accumulated amortisation		
At 1 April	4,807,116	4,503,445
Amortisation during the financial year	303,391	303,671
At 31 March	5,110,507	4,807,116
Net carrying value		
At 31 March	5,031,118	5,334,509

These are grants received from MOH for the construction and furnishing of the BMNH undertaken by the Society. Under the agreement with MOH, the Society is required to operate BMNH 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.

17 SUNDRY PAYABLES AND ACCRUALS	31.3.2015	31.3.2014
	\$	\$
Sundry payables	1,771,071	1,673,591
Accrued operating expenses	457,416	570,880
Residents' deposits and monies held for safekeeping	440,246	398,772
Deferred income (net)	670,926	48,904
	3,339,659	2,692,147

Deferred income represents net donations received for the fund-raising event "GOOD130" (31.3.2014: "MWS Golf 2014") to be held on 15 August 2015 (31.3.2014: 30 July 2014). This includes tax deductible and non-tax deductible receipts of \$577,245 (31.3.2014: \$50,000) and \$101,914 (31.3.2014: \$Nil) respectively for "GOOD130" (31.3.2014: "MWS Golf 2014").

18 GENERAL ACCUMULATED FUND	2015	2014
	\$	\$
At 1 April	24,201,182	22,042,787
Surplus for the year	5,112,695	4,203,290
Balance before transfers	29,313,877	26,246,077
Transfers to:		
- Service Centres' Accumulated Funds (Note 19)	(536,271)	(1,944,895)
- Other Funds - General Maintenance Fund (Note 28)	(100,000)	(100,000)
At 31 March	28,677,606	24,201,182

19 SERVICE CENTRES' ACCUMULATED FUNDS

2015	Restated At 1.4.2014	(Deficit)/ Surplus	Transfer of funds	Reclassification	At 31.3.2015
	\$	\$	\$	\$	\$
Funds held by service centres:					
<i>Unrestricted Funds</i>					
Agape Methodist Hospice	(358,729)	171,227	-	-	(187,502)
Bethany Methodist Nursing Home (Note 22)	2,405,775	(96,520)	(50,000)	-	2,259,255
Charis Activity Centre for Elders	30,797	(257)	23,656	-	54,196
Christalite Methodist Home	4,852,919	352,578	-	-	5,205,497
Covenant Family Service Centre	266,992	-	-	(266,992)	-
Daybreak Family Service Centre	835,680	-	-	(835,680)	-
D'Joy Children's Centre	42,481	(151,720)	151,720	-	42,481
Familyworks Community Services	35,485	(12,448)	2,447	-	25,484
HomeJoy Services	-	(24,814)	-	-	(24,814)
Residence@St George's	(176,838)	(302,925)	288,742	-	(191,021)
Service Planning & Development	(179,719)	(612,406)	-	-	(792,125)
Tampines Family Service Centre	1,848,793	-	-	(1,848,793)	-
Wesley Seniors Activity Centre	159,669	83,156	-	-	242,825
	9,763,305	(594,129)	416,565	(2,951,465)	6,634,276
<i>Restricted Funds</i>					
Covenant Family Service Centre	-	(89,473)	69,706	266,992	247,225
Daybreak Family Service Centre	-	68,216	-	835,680	903,896
Tampines Family Service Centre	-	(170,228)	-	1,848,793	1,678,565
	-	(191,485)	69,706	2,951,465	2,829,686
Total	9,763,305	(785,614)	486,271	-	9,463,962

19 SERVICE CENTRES' ACCUMULATED FUNDS (cont'd)

2014 (Restated)	At 1.4.2013	(Deficit)/ Surplus	Transfer of funds	At 31.3.2014
	\$	\$	\$	\$
Funds held by service centres:				
<i>Unrestricted Funds</i>				
Agape Methodist Hospice	(353,045)	(5,684)	-	(358,729)
Bethany Methodist Nursing Home (Note 22)	2,937,922	(482,147)	(50,000)	2,405,775
Charis Activity Centre for Elders	-	(26,382)	57,179	30,797
Christalite Methodist Home	4,642,293	210,626	-	4,852,919
Covenant Family Service Centre	421,960	(281,510)	126,542	266,992
Daybreak Family Service Centre	607,994	227,686	-	835,680
D'Joy Children's Centre	39,481	(242,413)	245,413	42,481
Familyworks Community Services	(8,117)	43,602	-	35,485
Residence@St George's	(217,092)	24,493	15,761	(176,838)
Service Planning & Development	(842,974)	(836,745)	1,500,000	(179,719)
Tampines Family Service Centre	1,780,039	68,754	-	1,848,793
Wesley Seniors Activity Centre	129,672	29,997	-	159,669
Total	9,138,133	(1,269,723)	1,894,895	9,763,305

During the financial year, the Society reclassified the accumulated funds of certain service centres from "unrestricted" to "restricted" with effect from 1 April 2014. These accumulated funds have been restricted to the use of the programmes within the respective service centres as stipulated in the NCSS ComChest funding agreement.

20 FAIR VALUE RESERVE

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

21 ASSET CAPITALISATION RESERVE

	2015	2014
	\$	\$
At 1 April	217,675	224,671
Depreciation charge of property plant and equipment for the year (Note 9)	(167,550)	(50,405)
Property, plant and equipment written off	(1,375)	-
Deficit for the year	(168,925)	(50,405)
Balance before transfer	48,750	174,266
Transfer from Community Silver Trust (Note 25)	229,570	43,409
Transfer from Care & Share Grant (Note 27)	262,700	-
At 31 March	541,020	217,675

22 BUILDING MAINTENANCE FUND

	2015	2014
	\$	\$
At 1 April	319,387	269,387
Transfer from Service Centres' Accumulated Funds (Note 19)	50,000	50,000
At 31 March	369,387	319,387

This fund is for the future major repairs and maintenance of BMNH.

23 BURSARY FUND

	2015	2014
	\$	\$
At 1 April	23,210	32,009
Donations received	-	54,440
Bursary programme expenditure	(23,210)	(63,239)
Deficit for the year	(23,210)	(8,799)
At 31 March	-	23,210

The purpose of this fund is to provide bursary programme for poor and needy students. Donations received include tax deductible and non-tax deductible receipts of \$Nil (31.3.2014: \$35,160) and \$Nil (31.3.2014: \$19,280) respectively.

The fund is held in cash.

24 COMMUNITY OUTREACH PROJECT FUND	2015	2014
	\$	\$
At 1 April	90,461	139,276
Receipts	56,526	72,571
Expenditure	(98,946)	(121,386)
Deficit for the year	(42,420)	(48,815)
At 31 March	48,041	90,461

The purpose of this fund is to raise awareness of chronically poor in Singapore and for community outreach projects.

Included in receipts are tax deductible and non-tax deductible receipts of \$55,730 (31.3.2014: \$71,060) and \$796 (31.3.2014: \$1,511) respectively for the community outreach projects.

25 COMMUNITY SILVER TRUST	2015	2014
	\$	\$
At 1 April	722,824	830,766
Grants received	1,322,791	-
Expenditure	(502,679)	(64,533)
Surplus/(deficit) for the year	820,112	(64,533)
Balance before transfer	1,542,936	766,233
Transfer to Asset Capitalisation Reserve (Note 21)	(229,570)	(43,409)
At 31 March	1,313,366	722,824

Community Silver Trust ("CST") is a trust managed by the MOH and Ministry of Social and Family Development ("MSF"). The objective of CST is to encourage donations and provide additional resources for the service providers in the intermediate and long term care sector to enhance capabilities and provide value-added services to achieve higher quality care and affordable step down care.

26 MWS - CSL TRUST ENDOWMENT FUND FOR BMNH

	2015	2014
	\$	\$
At 1 April	1,166,026	1,292,518
Dividend received	57,439	74,369
Gain on disposal of available-for-sale financial assets	4,433	15,370
Transfer to Statement of Comprehensive Income (Note 6)	(54,433)	(65,370)
Surplus for the year	7,439	24,369
Fair value gains/(losses) on available-for-sale financial assets	105,931	(150,861)
At 31 March	1,279,396	1,166,026

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 BMNH.

The endowment fund is represented by quoted equity investments at fair value of \$1,235,109 (31.3.2014: \$1,110,619) (Note 10) and the remainder in cash.

27 CARE & SHARE GRANT

	2015	2014
	\$	\$
At 1 April	-	-
Grants received	300,000	-
Expenditure	(37,300)	-
Surplus for the year	262,700	-
Balance before transfer	262,700	-
Transfer to Asset Capitalisation Reserve (Note 21)	(262,700)	-
At 31 March	-	-

Care & Share Grant is a national fund-raising and volunteerism movement led by Community Chest for the social service sector, in celebration of SG50 this year. It aims to bring our nation together to show care and concern for the needy and recognise the contributions made by voluntary welfare organisations (VWOs).

28 OTHER FUNDS

	At 1.4.2014	Receipts	Expenditure	Surplus/ (deficit)	Transfer of funds	At 31.3.2015
2015	\$	\$	\$	\$	\$	\$
General Maintenance Fund (Note 18)	500,000	-	-	-	100,000	600,000
Medifund	178,346	64,085	(186,905)	(122,820)	-	55,526
Medifund Silver	65,899	164,229	(222,599)	(58,370)	-	7,529
Financial Assistance Fund	6,687	3,168	(1,694)	1,474	-	8,161
FSC Comcare Fund	9,919	34,752	(25,953)	8,799	-	18,718
School Pocket Money Fund	94,457	289,209	(298,960)	(9,751)	-	84,706
Staff Crisis Fund	17,170	-	-	-	-	17,170
Tuition Scheme	39,171	-	(39,171)	(39,171)	-	-
Walk in the Needy Fund	4,910	-	(3,133)	(3,133)	-	1,777
	916,559	555,443	(778,415)	(222,972)	100,000	793,587
2014	At 1.4.2013	Receipts	Expenditure	Surplus/ (deficit)	Transfer of funds	At 31.3.2014
	\$	\$	\$	\$	\$	\$
General Maintenance Fund (Note 18)	400,000	-	-	-	100,000	500,000
Medifund	271,434	209,028	302,116	(93,088)	-	178,346
Medifund Silver	271,199	189,737	395,037	(205,300)	-	65,899
MILK Fund	1,750	-	1,750	(1,750)	-	-
Financial Assistance Fund	2,037	5,136	486	4,650	-	6,687
FSC Comcare Fund	23,790	6,390	20,261	(13,871)	-	9,919
School Pocket Money Fund	168,749	229,463	303,755	(74,292)	-	94,457
Staff Crisis Fund	17,170	-	-	-	-	17,170
Tuition Scheme	86,556	77,500	124,885	(47,385)	-	39,171
Walk in the Needy Fund	2,750	4,000	1,840	2,160	-	4,910
	1,245,435	721,254	1,150,130	(428,876)	100,000	916,559

General Maintenance Fund

This fund is set up for repairs and maintenance requirement of the Society.

Medifund

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

Medifund Silver

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

28 OTHER FUNDS (cont'd)

MILK Fund

These are funds received from the organisation 'Mainly I Love Kids' ("MILK") to provide support for the needs of disadvantaged children and youth in the hope of developing them into contributing members of society.

Financial Assistance Fund

This fund is set up to provide financial assistance to needy, families and children. Non-tax deductible receipts of \$3,168 (31.3.2014: \$5,136) were received during the financial year.

FSC Comcare Fund

These are funds received from National Council of Social Service ("NCSS") to provide immediate assistance to needy clients who require urgent and temporary financial relief to tide over their current situations.

School Pocket Money Fund

These are funds received from NCSS 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.

Tuition Scheme

This fund is set up for the tuition programme at the student care centres. Tax deductible receipts of \$Nil (31.3.2014: \$77,500) were received during the financial year.

Walk in the Needy Fund

These are donations received from Paya Lebar Methodist Church to finance needy walk-in and urgent cases.

29 COMMITMENTS

(a) Capital commitments	31.3.2015	31.3.2014
	\$	\$
Capital commitments not provided for in the financial statements:		
Capital commitments in respect of property, plant and equipment	574,750	558,726

29 COMMITMENTS (cont'd)**(b) Operating Lease Commitment**

The Society leases land and office equipment from non-related parties under non-cancellable operating lease arrangements. The leases have an average tenure of between three to six years, varying terms and renewal options.

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

	31.3.2015	31.3.2014
	\$	\$
Within 1 year	588,809	593,772
Within 2 to 5 years	480,545	1,069,354
	1,069,354	1,663,126

30 MANAGEMENT OF RESERVES

The reserves are not expected to exceed the equivalent of two years' expenditure of the Society and its service centres, and are maintained so as to provide working capital, and to enable the Society and its service centres to develop over the longer term. No changes are made in the objectives, policies or processes during the financial years ended 31 March 2015 and 31 March 2014.

31 FINANCIAL INSTRUMENTS**(a) Categories Of Financial Instruments**

	31.3.2015	Restated 31.3.2014
	\$	\$
Financial instruments at their carrying amounts at the balance sheet date are as follows:		
<i>Financial assets</i>		
Other receivables	2,372,033	2,242,080
Fixed deposits	26,200,000	21,500,000
Cash and bank balances	5,845,341	5,925,933
Loans and receivables	34,417,374	29,668,013
Available-for-sale financial assets	7,727,841	6,954,349
Held-to-maturity financial assets	2,773,905	2,507,147
<i>Financial liabilities</i>		
Financial liabilities at amortised cost		
- Sundry payables and accruals	2,289,150	2,261,048

(b) Financial Risk Management (cont'd)

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 available-for-sale financial assets, held-to-maturity financial assets, 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

Receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Society. Available-for-sale financial assets, held-to-maturity financial assets, fixed deposits and cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions which are regulated and have good credit standings.

Financial assets that are either past due and/or impaired

Information regarding financial assets that are either past due and/or impaired is disclosed in Note 12.

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 held-to-maturity financial assets and deposits with financial institutions which at fixed interest rates. The Society has no interest-bearing liabilities.

The sensitivity analysis for interest rate for financial assets and financial liabilities at variable interest rates 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 date and approximate the contractual undiscounted repayments obligations.

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 market price arising from its investment in quoted instruments. These instruments are classified as available-for-sale financial assets and held-to-maturity financial assets. The Society does not have exposure to commodity price risk.

At 31 March 2015, the Society's investment in available-for-sale is \$7,727,841 (31.3.2014: \$6,954,349). A 10% increase/(decrease) in the underlying market prices at the balance sheet date would increase/(decrease) the fair value reserve by \$772,784 (31.3.2014: \$695,435).

This analysis assumes that all other variables remain constant.

32 FAIR VALUES OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value measurements of assets that are measured at fair value

The following table presents the level of fair value hierarchy for each class of financial instruments at fair value on the balance sheet date:

	Level 1
	\$
31.3.2015	
Financial assets	
Available-for-sale financial assets:	
- investment fund	2,932,972
- quoted equity investments - Chen Su Lan Trust Fund	1,235,109
- quoted equity investments - others	3,559,760
	7,727,841
 31.3.2014	
Financial assets	
Available-for-sale financial assets:	
- investment fund	2,762,581
- quoted equity investments - Chen Su Lan Trust Fund	1,110,619
- quoted equity investments - others	3,081,149
	6,954,349

32 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

(c) Assets not carried at fair value but which fair values are disclosed

	Carrying amount	Fair value measurement at balance sheet date Level 2
	\$	\$
31.3.2015		
Financial assets		
Held-to-maturity financial assets		
- Debt securities	2,773,905	2,776,425
	<hr/>	<hr/>
31.3.2014		
Financial assets		
Held-to-maturity financial assets		
- Debt securities	2, 507, 147	2, 558, 313
	<hr/>	<hr/>

(d) Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods: comparative figures is as follows:

Quoted equity investments and investment fund

The fair values of quoted equity investments and investment fund are based on quoted market prices or dealer quotes for similar investments at the balance sheet date. These instruments are included in Level 1.

Debt securities

The fair values of debt securities are determined based on market prices provided by financial institutions at the balance sheet date. These instruments are included in Level 2.

(e) Fair value of financial instruments by classes that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of their fair values due to their short-term nature and where the effect of discounting is immaterial.

33 PRIOR YEAR ADJUSTMENTS

In prior years, the Society recognised government subvention when received from the Government, i.e. 4th quarter of government subvention for the respective financial years was recognised in the following financial years upon receipt. During the current financial year, the Society decided to change its basis and record the 4th quarter of government subvention for the financial year ended 31 March 2015 in the current financial year. This change in basis of recognition of government subvention is accounted for retrospectively, and the comparative figures have been restated to conform with current financial year's basis. The effect on the comparative figures is as follows:

	As previously reported	Adjustments	As Restated
	\$	\$	\$
Balance Sheet at 31.3.2014			
Other receivables	1,272,297	1,126,577	2,398,874
Unrestricted Service Centres' Accumulated Fund	8,636,728	1,126,577	9,763,305
Net assets/total funds	37,119,348	1,126,577	38,245,925
Statement of Comprehensive Income for the financial year ended 31.3.2014			
Government grants	11,386,964	(63,221)	11,323,743
Surplus for the year	2,996,788	(63,221)	2,933,567
Surplus and total comprehensive income for the year	2,059,470	(63,221)	1,996,249
Balance Sheet at 1.4.2013			
Other receivables	1,207,725	1,189,798	2,397,523
Unrestricted Service Centres' Accumulated Fund	7,948,335	1,189,798	9,138,133
Net assets/total funds	35,059,878	1,189,798	36,249,676

Accordingly, the Society has presented three balance sheets in these financial statements.

34 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Society for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Governance dated 11 July 2015.



MWS HEADQUARTERS

70 Barker Road #05-01 Singapore 309936

t 6478 4700 **f** 6478 4701

admin@mws.sg / www.mws.sg

www.facebook.com/methodistwelfareservices

www.instagram.com/mws.sg