



# Financial Report

## 财务报告

(Registered with Ministry of Education)

### REPORT AND FINANCIAL STATEMENTS For The Financial Year Ended 31 March 2010

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## Statement By The Management Committee

In our opinion, the accompanying balance sheet, income and expenditure statement, cash flow statement, statement of monthly pupil enrolment eligible for funding and statement of monthly pupil enrolment for international students together with the notes, as set out on pages 116 to 127 are 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 METTA SCHOOL as at 31 March 2010 and of the results for the financial year ended on that date.

On behalf of the Management Committee



Yong Soo Cheng  
Principal



Lim Yew Si  
Honorary Treasurer

23 July 2010

## Independent Auditors' Report To The Management Committee Of Metta School

We have audited the accompanying balance sheet as at 31 March 2010, the income and expenditure, cash flow statement, statement of monthly pupil eligible for funding and statement of monthly pupil enrolment for international students for the financial year then ended. These financial statements are the responsibility of management of Metta School (The School). Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the School as at 31 March 2010 and of the income and expenditure and cash flows of the School for the financial year ended on that date; and
- (b) the accounting and other records have been properly kept in accordance to the Rules and Regulations issued by the Ministry of Education and National Council of Social Services, as well as of any agreement signed with the Ministry of Education.

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

- (i) the receipt, expenditure and investment of monies; and
- (ii) the acquisition and disposal of assets by the School;

have not been carried out in accordance with the Rules and Regulations issued by the Ministry of Education and the National Council of Social Services, as well as of any agreement signed with the Ministry of Education; nor that

- (iii) the donations and other receipts of the School were not used for approved projects and the purposes intended.



Helmi Talib & Co  
Public Accountants and  
Certified Public Accountants

Singapore  
23 July 2010

## Balance Sheet

As at 31 March 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	5	7,543,258	7,682,934
<i>Current assets</i>			
Inventories	6	157	218
Receivables	7	116,268	112,776
Cash and cash equivalents	8	8,540,277	5,840,561
<b>Total current assets</b>		<b>8,656,702</b>	<b>5,953,555</b>
Less:			
<i>Current liabilities</i>			
Deferred capital grants	9	57,059	48,069
Payables	10	167,698	126,282
<b>Total current liabilities</b>		<b>224,757</b>	<b>174,351</b>
<b>Net current assets</b>		<b>8,431,945</b>	<b>5,779,204</b>
<i>Non-current liabilities</i>			
Deferred capital grants	9	57,173	18,553
<b>NET ASSETS</b>		<b>15,918,030</b>	<b>13,443,585</b>
Represented by:			
<b>FUNDS</b>			
Accumulated fund	11	5,621,013	4,305,569
Project reserves	12	8,840	28,844
School building fund	13	7,317,591	7,479,856
Staff training vote	14	172,997	137,215
Opportunity fund	15	10,971	5,453
Sinking fund	16	1,286,089	748,549
Student assistance fund	17	604,651	380,920
Curriculum Enhancement fund	18	1,159	-
Project fund	19	894,719	357,179
<b>TOTAL FUNDS</b>		<b>15,918,030</b>	<b>13,443,585</b>

The accompanying notes form an integral part of the financial statements

## Income And Expenditure Statement

For the financial year ended 31 March 2010

INCOME	Note	2010 \$	2009 \$
Designated donation	20	14,223	8,063
Unsolicited donation		100	-
Government grant		4,872,298	4,152,352
Government Grant - MOE teachers		-	77,452
NCSS grant		1,203,160	1,179,205
Supplementary fund - NCSS		15,020	-
ToteBoard grant		256,224	134,154
Government grant - Jobs credit		229,379	57,484
Interest received from autosave account		259	1,135
Interest received from fixed deposits		34,717	37,143
Fee received - Local students		98,360	96,260
Fee received - Foreign students		23,616	30,390
Amortisation of deferred grant and school building fund		258,178	240,532
<b>TOTAL INCOME</b>		<b>7,005,534</b>	<b>6,014,170</b>
<i>Less: Expenses</i>			
EXPENDITURE			
Salaries and allowances			
- MOE teaching staff		-	77,262
- Other staff		3,296,856	3,073,617
Maintenance		134,937	77,692
Rental (excluding land rental)	21	3,883	1,284
Supplies and materials		142,840	130,240
Utilities		94,110	117,548
Communications		4,947	4,660
License fee		100	100
Insurance		3,050	2,996
Professional and other services		32,771	87,870
Security guards		12,341	25,224
Recruitment		785	758
Transport		2,975	4,229
Staff Welfare		49,684	41,253
School functions		57,115	55,509
Pupil Welfare		46,628	38,399
Pre-Vocational Program		63,914	171,116
Designated expenses		14,218	7,993
Depreciation		338,275	304,871
Write off of property, plant and equipment		18,403	5,653
<b>TOTAL EXPENDITURE</b>		<b>4,317,832</b>	<b>4,228,274</b>
Surplus for the financial year		2,687,702	1,785,896
Accumulated fund brought forward	11	4,305,569	3,412,262
Add: Adjustment to prior year under funding FY 08/09 - NCSS grant		17,879	-
Add: Adjustment to prior year under funding FY 07/08 - NCSS grant		-	359
Less: Adjustment to prior year over funding FY 08/09 - Tote Board grant		(46,287)	-
Net surplus transferred to accumulated fund	11	6,964,863	5,198,517

The accompanying notes form an integral part of the financial statements

## Cash Flows Statement

For the financial year ended 31 March 2010

	Note	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Surplus for the financial year		2,687,702	1,785,896
<b>Adjustments for:</b>			
Amortisation income of deferred grant and school building fund		(258,178)	(240,532)
Depreciation expenses		338,275	304,871
Write off of property, plant and equipment		18,403	5,653
Adjustment to prior year (over)/under funding		(28,408)	359
Transfer 10% of surplus to student assistance fund		(268,770)	(178,590)
Transfer 20% of surplus to sinking fund		(537,540)	(357,179)
Transfer 20% of surplus to project fund		(537,540)	(357,179)
<b>Operating cash flows before working capital changes</b>		<b>1,413,944</b>	<b>963,299</b>
Increase in receivables		(3,492)	(34,689)
Decrease in inventories		61	426
Increase/(Decrease) in payables		41,416	(426,122)
<b>Net cash flows from operating activities</b>		<b>1,451,929</b>	<b>502,914</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(217,002)	(397,422)
<b>Net cash flows used in investing activities</b>		<b>(217,002)</b>	<b>(397,422)</b>
<b>Cash flows from financing activities</b>			
Increase in deferred capital grants		143,523	-
Increase in school building fund		-	261,193
Increase in staff training vote		35,782	13,379
Increase/(Decrease) in opportunity fund		5,518	(15,173)
Increase in sinking fund		537,540	357,179
Increase in student assistance fund		223,731	139,662
Increase in project fund		537,540	357,179
Increase in curriculum enhanced fund		1,159	-
Decrease in project reserves		(20,004)	-
<b>Net cash flows from financing activities</b>		<b>1,464,789</b>	<b>1,113,419</b>
Net increase in cash and cash equivalents		2,699,716	1,218,911
Cash and cash equivalents at the beginning of the financial year		5,840,561	4,621,650
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR</b>	<b>8</b>	<b>8,540,277</b>	<b>5,840,561</b>

The accompanying notes form an integral part of the financial statements

## Statement Of Monthly Pupil Eligible For Funding, FY 09/10

For the financial year ended 31 March 2010

	No. of Pupils by Disability Group* (a)				No. of Pupils under Vocational Tracks (b)		Total No. of Pupils (c=a+b)
	MID(J) + MID(S) + ASD	MID(J)	MID(S)	ASD	VOC	VOC - ASD	
1 April 2009	379	279	15	85	54	4	437
1 May 2009	382	282	15	85	54	4	440
1 June 2009	382	282	15	85	54	4	440
1 July 2009	385	285	15	85	54	4	443
1 August 2009	385	285	15	85	54	4	443
1 September 2009	386	286	15	85	54	4	444
1 October 2009	385	286	15	84	53	4	442
1 November 2009	384	285	15	84	53	4	441
1 December 2009	384	285	15	84	53	4	441
1 January 2010	358	254	20	84	56	8	422
1 February 2010	349	246	19	84	52	8	409
1 March 2010	349	246	19	84	52	8	409

\* Separate columns to be provided for each disability. They are:

Autism Spectrum Disorder - ASD students

Mild Intellectual Disability (J) - Junior students

Mild Intellectual Disability (S) - Senior students

## Statement Of Monthly Pupil Enrolment For International Students, FY 09/10

For the financial year ended 31 March 2010

	No. of International Pupils* (a)	No. of International Pupils** (b)	Total No. of Pupils (c=a+b)
1 April 2009	-	1	1
1 May 2009	-	1	1
1 June 2009	-	1	1
1 July 2009	-	1	1
1 August 2009	-	1	1
1 September 2009	-	1	1
1 October 2009	-	1	1
1 November 2009	-	1	1
1 December 2009	-	1	1
1 January 2010	-	0	0
1 February 2010	-	0	0
1 March 2010	-	0	0

\* International students who are children of employment pass holders, skilled workers and diplomatic staff

\*\* International students who are not children of employment pass holders, skilled workers and diplomatic staff

*Note: International students are defined as those who are not of Singapore Citizen or Permanent Resident status.*



## Notes To The Financial Statements

For the financial year ended 31 March 2010

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

### 1 SCHOOL INFORMATION

The School was set up for the purpose of providing special education to mildly intellectually disabled and / or mildly autistic children between ages 7 to 18 who are functioning between IQ range of 50 and 70. Students who can benefit from Vocational Programmes can continue to school up to 21 years old.

The financial statements were authorized for issue in accordance with minutes of Committee members meeting on 23 July 2010.

The School was registered with the Ministry of Education (MOE), Singapore on 16 November 2001 (Registration No: 1431).

The School is one of the nine welfare centres provided by Metta Welfare Association which is registered charity. The School employed 85 (2009: 82) employees as of 31 March 2010.

### 2 MANAGEMENT COMMITTEE

For the financial year under review, the members of the management committee were as follows:

Ven Shi Fa Zhao	- Chairman
Ven Shi Pu En	- School Supervisor
Yong Soo Cheng	- Secretary
Lim Yew Si	- Treasurer
Ee Tiang Hwee	- Member
Lau Swee Eng	- Member
Tan Ming Yong	- Member
Tan Yen Kee	- Member
Lestin Ong Poh Wei	- MOE Representative

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of preparation

The financial statements are prepared in accordance with and comply with Singapore Financial Reporting Standards (FRS). The financial statements are prepared under the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements requires the use of estimates and assumptions and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial year. The key estimates and judgements made that have a material effect are those relating to depreciation.

The financial statements are expressed in Singapore Dollars (SGD or \$).

The accounting policies have been consistently applied by the School and are consistent with those used in the previous financial year and the Rules and Regulations issued by MOE and National Council of Social Services (NCSS), as well as of any agreement signed with the MOE.

#### 3.2 Changes in accounting policies

On 1 April 2009, the School adopted the new or amended FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the School's accounting policies have been made as required, in accordance with the transitional provisions on the respective FRS and INT FRS.

The following are the new or revised FRS and INT FRS that are relevant to the School:

- **FRS 1 Presentation of Financial Statements – Revised presentation**

The revised standard requires an entity to present, in a statement of changes in funds, all owner changes in funds. All non-owner changes in funds (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in funds. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact of the School's financial position or results.

• **Amendments to FRS 107 Financial Instruments: Disclosures**

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires the disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the School.

**3.3 New or revised accounting standards and interpretations**

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the School's accounting policies beginning 1 April 2010 or later periods and which the School has not early adopted.

The Management expects that the adoption of the new or revised accounting standards and interpretations will have no material impact on the financial statements in the period of initial application.

**3.4 Functional currency**

The management has determined the currency of the primary economic environment in which the School operates i.e. functional currency, to be SGD. Income and major costs of providing services including major operating expenses are primarily influenced by fluctuations in SGD.

**3.5 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. The cost of property, plant and equipment initially recognised includes its purchase price and any directly attributable costs of bringing the property, plant and equipment to working condition for its intended use. Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the School and the cost of the item can be measured reliably. All other repair and maintenance expenses is recognised in the income and expenditure statement when incurred.

Depreciation is calculated on a straight-line method over their estimated useful lives as follows:

Furniture & fittings	5 years
Office equipment	5 years
Computer	3 years
Physio equipment	5 years
Art & Music	5 years
School building	50 years
Other equipment	3 years
Renovation	2 years

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

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

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

**3.6 Impairment of non-financial assets**

The carrying amounts of the School's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the income and expenditure statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss is only revised to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. All reversals of impairment are recognised in the income and expenditure statement.

### 3.7 *Financial assets*

Financial assets are recognised on the balance sheet when, and only when, the School becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus transaction costs.

All regular purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the School commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in the income and expenditure statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

The School classifies the following financial assets as loans and receivables:

- cash and cash equivalents
- receivables

### 3.8 *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances. Cash carried in the balance sheet is classified and accounted for as loans and receivables under FRS 39.

### 3.9 *Impairment of financial assets*

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

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income and expenditure statement.

When the financial asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance amount, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is an objective evidence that an impairment loss on financial asset has been incurred, the School considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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

### 3.10 *Derecognition of financial assets*

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income and expenditure statement.

### 3.11 *Inventories*

Inventories are valued at the lower of cost and net realisable value. Inventories consist of exercise books. Cost is determined using the first-in, first-out-method. The cost of the exercise books comprises purchase costs.

Net realisable value is the selling price which is equivalent to the purchase costs.

### 3.12 Financial liabilities

Financial liabilities include payables. Financial liabilities are recognised on the balance sheet when, the School becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

### 3.13 Provisions

Provisions are recognised when the School has a present legal or constructive obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

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

### 3.14 Employee benefits

#### (a) Defined contribution plan

As required by law, the School makes contributions to the state pension schemes, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

#### (b) Employee leave entitlement

Employee entitlements to annual leave other than teaching staff are recognised when they accrued to employees. Unused annual leave are not allowed to be carried forward to the following calendar year.

### 3.15 Revenue recognition

Revenue consists of school fees, designated donations, grants and interest income.

#### (a) School fees

Revenue received from school fees is recognised on an accrual basis.

#### (b) Designated donation

Donation received from companies and other organisation is recognised when they are receivable.

### 3.16 Grants

A grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the income and expenditure statement over the expected useful life of the relevant assets by annual amount installments.

## 4 RELATED PARTY DISCLOSURES

	2010 \$	2009 \$
<b>Metta Welfare Association</b>		
Expenses billed to Metta Welfare Association	(653)	(19,075)
Expenses billed from Metta Welfare Association	5,757	14,922
	<u>5,104</u>	<u>(4,153)</u>

During the financial year, the School charged expenses of a value of \$653 (2009: \$19,075) and was charged expenses amounting to \$5,757 (2009: \$14,922) to and from its related party, Metta Welfare Association. As at 31 March 2010, the School has receivable of NIL (2009: \$16,095) from the related party.

## 5 PROPERTY, PLANT AND EQUIPMENT

	Furniture & fittings \$	Office equipment \$	Computer \$	Physio equipment \$	Art & Music \$	School building \$	Other equipment \$	Renovation \$	Total \$
<b>Cost</b>									
At 1 April 2008	141,891	182,005	78,982	662	89,417	7,852,051	100,721	-	8,445,729
Additions	5,915	3,180	-	-	1,319	274,940	92,319	19,749	397,422
Disposals	(11,350)	(4,000)	-	-	-	-	-	-	(15,350)
At 31 March 2009	136,456	181,185	78,982	662	90,736	8,126,991	193,040	19,749	8,827,801
Additions	13,725	20,812	143,523	-	3,750	-	-	35,192	217,002
Disposals	(2,615)	(44,700)	-	-	-	-	-	-	(47,315)
As at 31 March 2010	147,566	157,297	222,505	662	94,486	8,126,991	193,040	54,941	8,997,488
<b>Accumulated depreciation</b>									
At 1 April 2008	99,323	88,807	75,792	659	78,263	471,123	35,726	-	849,693
Charge for the year	26,647	29,723	1,589	-	10,153	162,540	64,345	9,874	304,871
Disposals	(5,700)	(3,997)	-	-	-	-	-	-	(9,697)
At 31 March 2009	120,270	114,533	77,381	659	88,416	633,663	100,071	9,874	1,144,867
Charge for the year	10,287	24,317	49,429	-	2,053	162,540	62,182	27,467	338,275
Disposals	(2,092)	(26,820)	-	-	-	-	-	-	(28,912)
At 31 March 2010	128,465	112,030	126,810	659	90,469	796,203	162,253	37,341	1,454,230
<b>Net book value</b>									
At 31 March 2009	16,186	66,652	1,601	3	2,320	7,493,328	92,969	9,875	7,682,934
<b>AT 31 MARCH 2010</b>	<b>19,101</b>	<b>45,267</b>	<b>95,695</b>	<b>3</b>	<b>4,017</b>	<b>7,330,788</b>	<b>30,787</b>	<b>17,600</b>	<b>7,543,258</b>

## 6 INVENTORIES

	2010 \$	2009 \$
Exercise books, at cost	157	218

Inventories comprise of the exercise books carried at lower of cost and net realisable value.

## 7 RECEIVABLES

	2010 \$	2009 \$
Grant receivables	48,756	20,988
Outside parties	50,629	58,252
Related party (Note 4)	-	16,095
Prepayment	357	357
Accrued interest on fixed deposits	16,526	17,084
	<u>116,268</u>	<u>112,776</u>
Receivables (exclude prepayments)	115,911	112,419
Add: Cash and cash equivalents (Note 8)	8,540,277	5,840,561
Total loans and receivables	<u>8,656,188</u>	<u>5,952,980</u>

### *Receivables that are past due but not impaired*

As at the balance sheet date, the School has NIL (2009: NIL) receivables that are past due but not impaired.

### *Receivables that are impaired*

As at the balance sheet date, the School has NIL (2009: NIL) receivables that are impaired.

### *Related party balance*

Amount due from related party is unsecured, non-interest bearing and repayable on demand. This amount is to be settled in cash.

Receivables are denominated in Singapore Dollars.

## 8 CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Cash in hand	1,000	1,000
Cash at bank	1,922,173	1,257,732
Fixed deposits	6,617,104	4,581,829
	<u>8,540,277</u>	<u>5,840,561</u>

For the purpose of cash flow statement, cash is comprised of the balances as shown above.

Cash at bank earns interest at a weighted-average rate of 0.014% per annum (2009: 0.090%).

Fixed deposit earns interest rates ranging from 0.250% – 1.550% (2009: 1.200% – 1.550%) per annum.

Cash and cash equivalents are denominated in Singapore Dollars.

## 9 DEFERRED CAPITAL GRANTS

	2010 \$	2009 \$
<b>Cost</b>		
At the beginning of the financial year	477,308	477,308
Received during the financial year	143,523	-
At the end of financial year	<u>620,831</u>	<u>477,308</u>
<b>Accumulated amortisation</b>		
At the beginning of the financial year	410,686	332,419
Charge for the year	95,913	78,267
At the end of financial year	<u>506,599</u>	<u>410,686</u>
<b>Net carrying amount</b>		
Current	57,059	48,069
Non-current	57,173	18,553
	<u>114,232</u>	<u>66,622</u>
<b>Deferred capital grants consist of:</b>		
Grant from government	18,542	66,614
Grant from non-government	95,690	8
	<u>114,232</u>	<u>66,622</u>

These amounts represent government grant and donations received from individuals and private organisations for the purchase/construction of property, plant and equipment. These amounts are taken to the Deferred Capital Grants. The depreciation of property, plant and equipment would be charged to the related grants yearly.

## 10 PAYABLES

	2010 \$	2009 \$
Accrued operating expenses	134,920	111,723
Fees received in advances	32,778	14,559
	167,698	126,282
Total financial liabilities carried at amortised cost	<u>167,698</u>	<u>126,282</u>

Payables are denominated in Singapore Dollars.

## 11 ACCUMULATED FUNDS

	2010 \$	2009 \$
At the beginning of the financial year	4,305,569	3,412,262
Surplus for current financial year	2,687,702	1,785,896
Add: Adjustment to prior year Underfunding – NCSS	17,879	359
Less: Adjustment to prior year Overfunding – Tote Board	(46,287)	-
	6,964,863	5,198,517
Transfer to sinking fund (Note 16)	(537,540)	(357,179)
Transfer to student assistance fund (Note 17)	(268,770)	(178,590)
Transfer to project fund (Note 19)	(537,540)	(357,179)
	<u>5,621,013</u>	<u>4,305,569</u>

## 12 PROJECT RESERVES

	2010 \$	2009 \$
<i>Programme development fund</i>		
At the beginning of financial year	28,844	28,844
Less: Expenses for the financial year	(20,004)	-
At the end of the financial year	<u>8,840</u>	<u>28,844</u>

These reserves are contributions set aside for school operations expenses and upgrading work.

## 13 SCHOOL BUILDING FUND

	2010 \$	2009 \$
<b>Cost</b>		
At the beginning of the financial year	8,113,244	7,852,051
Received during the financial year	-	261,193
At the end of financial year	<u>8,113,244</u>	<u>8,113,244</u>
<b>Accumulated amortisation</b>		
At the beginning of the financial year	633,388	471,123
Charge for the year	162,265	162,265
At the end of financial year	<u>795,653</u>	<u>633,388</u>
<b>Net carrying amount</b>		
	<u>7,317,591</u>	<u>7,479,856</u>
<b>School building fund consists of:</b>		
Grant from government	4,658,235	4,761,403
Grant from non-government	2,659,356	2,718,453
	<u>7,317,591</u>	<u>7,479,856</u>

The school building fund was set up for the purpose of construction of the school building. 90% of the cost of construction of the school building was funded by Ministry of Education and the other 10% was funded by the related party, Metta Welfare Association. The construction of the school building was completed in year 2005.

During the prior financial year, the School set up a training kitchen. 95% of the cost was funded by Ministry of Education and the other 5% by the School.

## 14 STAFF TRAINING VOTE

	2010 \$	2009 \$
At the beginning of the financial year	137,215	123,836
Add: Grant received	84,425	78,375
	221,640	202,211
Less: Expenses for the financial year	(48,643)	(64,996)
At the end of the financial year	<u>172,997</u>	<u>137,215</u>

From the financial year ended 31 March 2006, the above Staff Training Vote will be funded solely by Ministry of Education. A sum of \$1,100 is allocated to each staff to receive appropriate training and improve service quality.



## 15 OPPORTUNITY FUND

	2010 \$	2009 \$
At the beginning of the financial year	5,453	20,626
Add: Grant received	14,526	5,453
	19,979	26,079
Less: Expenses for the financial year	(9,008)	(20,626)
At the end of the financial year	<u>10,971</u>	<u>5,453</u>

The Opportunity Fund is an initiative by Ministry of Education, starting from the financial year ended 31 March 2007, where funds are allocated to students in need.

## 16 SINKING FUND

	2010 \$	2009 \$
At the beginning of the financial year	748,549	391,370
Transfer from accumulated fund (Note 11)	537,540	357,179
At the end of the financial year	<u>1,286,089</u>	<u>748,549</u>

The sinking fund is set up for major repairs and maintenance of the School Building.

## 17 STUDENT ASSISTANCE FUND

	2010 \$	2009 \$
At the beginning of the financial year	380,920	241,258
Transfer from accumulated funds (Note 11)	268,770	178,590
	649,690	419,848
Less: Expenses	(45,039)	(38,928)
At the end of the financial year	<u>604,651</u>	<u>380,920</u>

The student assistance fund is set up to provide financial assistance for needy pupils.

## 18 CURRICULUM ENHANCEMENT FUND

	2010 \$	2009 \$
At the beginning of the financial year	-	-
Add: Grant received	80,000	-
	80,000	
Less: Expenses for the financial year	(78,841)	-
At the end of the financial year	1,159	-

This fund was set up to promote and sustain school-based initiatives in enhancing the quality of the school curriculum and co-curriculum.

## 19 PROJECT FUND

	2010 \$	2009 \$
At the beginning of the financial year	357,179	-
Transfer from accumulated funds (Note 11)	537,540	357,179
At the end of the financial year	894,719	357,179

This fund was approved by School Management Committee to set aside for school building extension, school improvement and upgrading works, also for projects / programmes that will meet the needs of the pupils.

## 20 DESIGNATED DONATION

Donations-in-kind received during the financial year are as follows:

	2010 \$	2009 \$
School uniforms & fees	5,000	5,285
Arts Programme / Performing Arts	5,523	388
Sports Programme	3,500	-
Teachers' Day Celebration	200	2,390
	14,223	8,063

## 21 RENTAL (EXCLUDING LAND RENTAL)

Rental expenses for photocopier machines for the School was \$3,883 and \$1,284 for the years ended 31 March 2010 and 2009 respectively.

The rental expenses for the land amounting to \$399,024 and \$395,899 for the years ended 31 March 2010 and 2009 were fully funded by MOE. The School has given consent for the full funding to be remitted from MOE to Metta Welfare Association. Hence the School does not recognise both rental expenses and rental grants in its income and expenditure statement. The rental expenses for the land were recognised in Metta Welfare Association's financial statements.

## 22 TOTEBOARD'S FUNDING ON STUDENTS DOING VOCATIONAL/ MAINSTREAM SECONDARY CURRICULUM

The ToteBoard's Funding on students doing Vocational/ Mainstream Secondary Curriculum for the financial year ended 31 March 2010 are as follow:

	2010 \$	2009 \$
<b>Income:</b>		
Donations	15	-
School fees	13,200	8,860
<b>Total Income</b>	<u>13,215</u>	<u>8,860</u>
<b>Expenditure:</b>		
Salaries and allowances	112,336	72,080
Maintenance	4,949	1,777
Rental (excluding land rental)	142	29
Supplies and materials	9,058	2,979
Utilities	3,451	2,689
Communications	181	107
License fee	4	2
Insurance	112	69
Professional and other services	1,202	2,010
Security guards	453	577
Recruitment	29	17
Transport	120	97
Staff Welfare	1,655	944
School functions	1,804	1,270
Pupil Welfare	505	879
PreVocational Program	15,979	3,915
Designated expenses	521	183
Depreciation	12,406	6,974
Write off of plant and equipment	675	129
<b>Total Expenditure</b>	<u>165,582</u>	<u>96,727</u>
Net (Deficit) of Income over Expenditure	(152,367)	(87,867)
ToteBoard Grant received during the year	192,966	131,471
Grant retained by ToteBoard: 2%	5,124	2,683
Grant for Quarter 4 not received	58,134	-
Tote Board Grant	<u>256,224</u>	<u>134,154</u>
Final Surplus/(Deficit) less ToteBoard's Grant	40,599	46,287
Accumulated funds at the beginning of financial year	46,287	-
Adjustment by Tote Board	<u>(46,287)</u>	<u>-</u>
Accumulated funds at the end of financial year	<u>40,599</u>	<u>46,287</u>

## 23 INCOME TAX

The School is one of the nine welfare centers provided by Metta Welfare Association which is registered charity under the Charities Act 1982 and is exempted from income tax.

## 24 FINANCIAL INSTRUMENTS

### (a) *Financial risk management objectives and policies*

The main risks arising from the School's financial instruments are credit risk, liquidity risk and interest rate risk. The School has no foreign currency risk and market price risk. The board policies for managing these risks are summarised below.

#### *Credit risk*

Credit risk is limited to risk arising from the inability of receivables to make payments when they fall due.

#### **Exposure to credit risk**

The carrying amount of receivables and cash and cash equivalents represents the School's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk.

The School has no significant concentration of credit risk with any single counterparty.

#### **Financial assets that are neither past due nor impaired**

Receivables that are neither past due nor impaired are receivables with good payment record with the School. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

#### **Financial assets that are either past due or impaired**

The School has no (2009: NIL) financial assets that are either past due or impaired.

#### *Liquidity risk*

Liquidity risk refers to the risk in which the School is unable to meet its short term obligations and this arises due to shortage of funds.

Liquidity risk for the School is minimal as the School is able to meet its funding requirements through its operations.

At the balance sheet date, the School has non-derivative financial liabilities that are payables amounting to \$167,698 (2009: \$126,282) which will mature within 1 year or less.

#### *Interest rate risk*

Interest rate risk relates to interest bearing bank account and fixed deposits. The Company interest income is affected by fluctuations in interest rate.

#### **Sensitivity analysis for interest rate risk**

At the balance sheet date, if the interest rates had been 100 basis points higher/lower with all other variables held constant the School net surplus would have been \$85,393 (2009: \$58,396) higher/lower, arising mainly as a result of a higher/lower interest income on bank deposit.

### (b) *Fair values of financial assets and financial liabilities*

The fair value of financial assets and financial liabilities reported in the balance sheet approximates the carrying amount of those assets and liabilities, as these are short term in nature.

During the financial year, no amount (2009: NIL) has been recognised in the income and expenditure statement in relation to the change in fair value of financial assets or financial liabilities estimated using a valuation technique.

## 25 MANAGEMENT OF RESERVES

The School regards its accumulated funds excluding all project reserves, school building fund, staff training note, opportunity fund, sinking fund, student assistance fund, curriculum enhancement fund and project fund as its resources.

The School's reserve policy requires it to maintain sufficient reserve to ensure long term financial sustainability and continuity for the purpose of operating effective programmes.