



Audited Financial Statements

For The Year Ended 31 March 2013



Unique Entity No. S94SS0081K
 IPC No. IPC000269
 Registered under the Registrar of Societies

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Statement by Executive Management Committee

In the opinion of the Executive Management Committee,

- a) the financial statements as set out on pages 91 to 115 are drawn up so as to give a true and fair view of the state of affairs of the Association at 31 March 2013, and of the results of the financial activities and cash flows of the Association for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

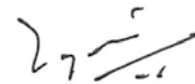
The Executive Management Committee, comprising the following, authorised the issue of these financial statements on 27 July 2013.

Lai Meng Wah @ Shi Fa Zhao	President
Ong Tai Yong @ Shi Pu En	First Vice President (Resigned as Vice President on 30 April 2013)
Tan Ming Yong	Second Vice President
Tan Yen Kee	Honorary Secretary
Khua Kian Kheng, Ivan	Assistant Honorary Secretary
Tay Khin Sian, Anthony	Honorary Treasurer
Yeong Wai Chee, Raymond	Assistant Honorary Treasurer
Helen Tan	Committee Member
Lim Yew Si	Committee Member
Neo Siow Hong, Jason	Committee Member
Ngiam Kee Yuan	Committee Member
Poh Yong Meng, Stephen	Committee Member
Tan Wui Kiang	Committee Member
Tsang Siu For, Thomas	Committee Member
Woo Khai San, Victor	Committee Member

On behalf of the Executive Management Committee,



Lai Meng Wah @ Shi Fa Zhao
President



Tay Khin Sian, Anthony
Honorary Treasurer

Singapore,
27 July 2013

Report on the Financial Statement

We have audited the accompanying financial statements of **Metta Welfare Association** (the "Association") set out on pages 5 to 33, which comprise the statement of financial position as at 31 March 2013, the statement of financial activities and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

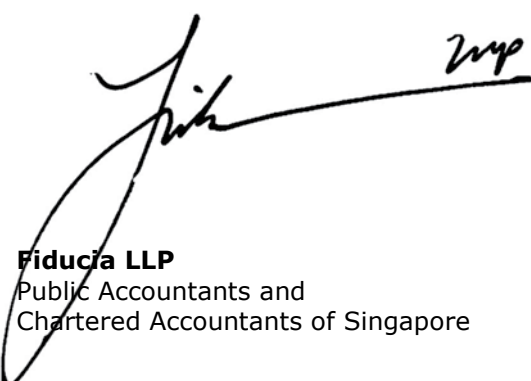
In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard so as to give a true and fair view of the state of affairs of the Association as at 31 March 2013, and the results and cash flows of the Association for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Singapore Societies Act (Chapter 311) and Charities Act (Chapter 37) to be kept by the Association have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Association.



Fiducia LLP
Public Accountants and
Chartered Accountants of Singapore

Singapore,
27 July 2013

Statement of Financial Position As At 31 March 2013

	Note	2013 S\$	2012 (As restated) S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	8,920,208	7,478,119
Trade and other receivables	5	1,236,320	752,335
Inventories		4,945	6,299
		<u>10,161,473</u>	<u>8,236,753</u>
Non-current assets			
Investment in financial assets	6	506,000	0
Property, plant and equipment	7	13,809,708	14,377,862
		<u>14,315,708</u>	<u>14,377,862</u>
Total assets		<u>24,477,181</u>	<u>22,614,615</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	<u>2,070,327</u>	<u>1,371,316</u>
Total liabilities		<u>2,070,327</u>	<u>1,371,316</u>
NET ASSETS		<u>22,406,854</u>	<u>21,243,299</u>
FUNDS			
Unrestricted			
- General fund		18,185,531	17,338,544
- Investment fund	9	1,610,712	1,378,001
- Project account reserve	9	1,187,647	1,187,647
- Sinking fund	9	279,222	231,771
- Designated fund	9	466,414	382,829
		<u>21,729,526</u>	<u>20,518,792</u>
Restricted			
- Building fund	9	329,487	372,500
- Education trust fund	9	347,841	352,007
		<u>677,328</u>	<u>724,507</u>
Total funds		<u>22,406,854</u>	<u>21,243,299</u>

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

Statement of Financial Activities for the Financial Year Ended 31 March 2013

	Note	Unrestricted funds											Restricted funds			
		General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	HIV fund S\$	Medicine fund S\$	Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$	Education trust fund S\$	Total S\$
2013																
INCOME																
Income from generated funds																
- Voluntary income	10	7,623,311	0	0	0	10	8,087	0	0	1,129	2	77,000	41,949	0	1,082	7,752,570
- Activities for generating funds	10	1,264,895	0	0	0	0	0	0	0	0	0	0	0	0	0	1,264,895
- Investment income	10	18,490	0	0	0	0	0	0	0	0	0	0	0	0	0	18,490
Income from charitable activities	10	2,772,512	0	0	0	0	0	0	0	0	0	0	0	0	0	2,772,512
Other income	10	51,074	0	0	0	0	0	0	0	0	0	0	0	0	0	51,074
Total income		11,730,282	0	0	0	10	8,087	0	0	1,129	2	77,000	41,949	0	1,082	11,859,541
EXPENDITURE																
Cost of generating funds	11	626,883	0	0	0	48	0	0	0	0	0	35,755	8,789	0	5,248	676,723
Cost of charitable activities	11	9,844,629	0	0	0	0	0	0	0	0	0	0	0	0	0	9,844,629
Governance and other administrative costs	11	174,634	0	0	0	0	0	0	0	0	0	0	0	0	0	174,634
Total expenditure		10,646,146	0	0	0	48	0	0	0	0	0	35,755	8,789	0	5,248	10,695,986
NET INCOME / (EXPENDITURE)		1,084,136	0	0	0	(38)	8,087	0	0	1,129	2	41,245	33,160	0	(4,166)	1,163,555
GROSS TRANSFERS BETWEEN FUNDS																
Transfer to / (from) of funds		(237,149)	232,711	0	47,451	0	0	0	0	(121,985)	121,985	0	0	(43,013)	0	0
NET MOVEMENT IN FUNDS		846,987	232,711	0	47,451	(38)	8,087	0	0	1,129	(121,983)	163,230	33,160	(43,013)	(4,166)	1,163,555
TOTAL FUNDS BROUGHT FORWARD (As previously reported)		3,391,271	1,378,001	1,187,647	231,771	70,458	12,967	16,353	13,000	6,276	121,983	141,792	0	372,500	352,007	7,296,026
Effects of CAS adoption	18	13,947,273	0	0	0	0	0	0	0	0	0	0	0	0	0	13,947,273
TOTAL FUNDS BROUGHT FORWARD (As restated)		17,338,544	1,378,001	1,187,647	231,771	70,458	12,967	16,353	13,000	6,276	121,983	141,792	0	372,500	352,007	21,243,299
TOTAL FUNDS CARRIED FORWARD		18,185,531	1,610,712	1,187,647	279,222	70,420	21,054	16,353	13,000	7,405	0	305,022	33,160	329,487	347,841	22,406,854

Statement of Financial Activities for the Financial Year Ended 31 March 2013 (Cont'd)

	Note	Unrestricted funds											Restricted funds			
		General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	HIV fund S\$	Medicine fund S\$	Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$	Education trust fund S\$	Total S\$
2012 (As restated)																
INCOME																
Income from generated funds																
- Voluntary income	11	7,359,701	0	0	0	122,298	5,113	0	0	1,722	99	29,072	0	0	947	7,518,952
- Activities for generating funds	11	966,754	0	0	0	0	0	0	0	0	0	0	0	0	0	966,754
- Investment income	11	12,185	0	0	0	0	0	0	0	0	0	0	0	0	0	12,185
Income from charitable activities	11	2,407,115	0	0	0	0	0	0	0	0	0	0	0	0	0	2,407,115
Other income	11	144,589	0	0	0	0	0	0	0	0	0	0	0	0	0	144,589
Total income		10,890,344	0	0	0	122,298	5,113	0	0	1,722	99	29,072	0	0	947	11,049,595
EXPENDITURE																
Cost of generating funds	12	711,158	0	0	0	85,840	1,051	0	0	0	0	8,729	0	371	0	807,149
Cost of charitable activities	12	9,232,573	0	0	0	0	0	0	0	0	0	0	0	0	0	9,232,573
Governance and other administrative costs	12	152,609	0	0	0	0	0	0	0	0	0	0	0	0	0	152,609
Total expenditure		10,096,340	0	0	0	85,840	1,051	0	0	0	0	8,729	0	371	0	10,192,331
NET INCOME / (EXPENDITURE)		794,004	0	0	0	36,458	4,062	0	0	1,722	99	20,343	0	(371)	947	857,264
GROSS TRANSFERS BETWEEN FUNDS																
Capitalisation of major renovation		72,122	0	0	(72,122)	0	0	0	0	0	0	0	0	0	0	0
Transfer to / (from) of funds		(260,218)	228,848	0	35,622	0	0	(4,623)	0	0	0	0	0	371	0	0
NET MOVEMENT IN FUNDS		605,908	228,848	0	(36,500)	36,458	4,062	(4,623)	0	1,722	99	20,343	0	0	947	857,264
TOTAL FUNDS BROUGHT FORWARD (As previously reported)		2,570,508	1,149,153	1,187,647	268,271	34,000	8,905	20,976	13,000	4,554	121,884	121,449	0	304,948	351,060	6,156,355
Effects of CAS adoption		14,162,128	0	0	0	0	0	0	0	0	0	0	0	67,552	0	14,229,680
TOTAL FUNDS BROUGHT FORWARD (As restated)		16,732,636	1,149,153	1,187,647	268,271	34,000	8,905	20,976	13,000	4,554	121,884	121,449	0	372,500	351,060	20,386,035
TOTAL FUNDS CARRIED FORWARD		17,338,544	1,378,001	1,187,647	231,771	70,458	12,967	16,353	13,000	6,276	121,983	141,792	0	372,500	352,007	21,243,299

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

Statement of Cash Flows for the Financial Year Ended 31 March 2013

	Note	2013 S\$	2012 (As restated) S\$
Cash flows from operating activities			
Net income		1,163,555	857,264
Adjustments for:			
- Depreciation	7	753,451	755,136
- Interest income	10	(18,490)	(12,185)
- Loss on disposal of property, plant and equipment		2,376	1,257
- Property, plant and equipment expensed	7	0	15,797
Operating cash flow before working capital changes		1,900,892	1,617,269
Changes in operating assets and liabilities:			
- Trade and other receivables		(483,985)	(171,863)
- Inventories		1,354	14,006
- Trade and other payables		699,011	403,026
Cash generated from operations		2,117,272	1,862,438
Interest received		6,075	4,175
Net cash provided by operating activities		2,123,347	1,866,613
Cash flows from investing activities			
Increase in pledged deposits		(52,962)	0
Interest received		12,415	8,010
Placement of investment		(506,000)	0
Proceeds from disposal of property, plant and equipment		32	900
Proceeds from termination of investment		0	380,000
Purchases of property, plant and equipment	7	(187,705)	(376,542)
Net cash (used in) / provided by investing activities		(734,220)	12,368
Net increase in cash and cash equivalents		1,389,127	1,878,981
Cash and cash equivalents at beginning of financial year		7,293,019	5,414,038
Cash and cash equivalents at end of financial year	4	8,682,146	7,293,019
Cash and cash equivalents comprise:			
Cash on hand	4	9,700	9,800
Cash in banks	4	6,210,313	4,143,674
Fixed deposits	4	2,462,133	3,139,545
		8,682,146	7,293,019

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

Notes to the Financial Statements for the Financial Year Ended 31 March 2013

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

1. General information

Metta Welfare Association ("the Association") operates in the Republic of Singapore. Its registered office and principal place of activities is located at Block 32, Simei Street 1, Metta Building, Singapore 529950.

The Association is dedicated to the active promotion of humanitarian causes. The Association's objectives are to provide special education, welfare services, community and medical care to the intellectually disabled, elderly and terminally ill in the community, regardless of race and religion.

The Association is registered as a charity organisation under Charities Act, Chapter 37 on 9 March 1995 and has been accorded an Institutions of a Public Character ("IPC") status for the period from 2 May 2013 to 1 May 2016.

The Association is composed of eight (8) welfare centres as follows:

1. Metta Home for the Disabled
2. Metta Home Day Activity Centre
3. Metta Day Activity Centre for the Intellectually Disabled
4. Metta Day Rehabilitation Centre for the Elderly
5. Metta Hospice Care Centre
6. Metta Preschool@Simei
7. Metta Preschool@Punggol
8. South East CDC-Metta Student Care Centre

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act (Chapter 311) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Association's functional currency.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

These financial statements are the Association's first financial statements prepared in accordance with CAS. The financial statement for previous periods had been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The CAS was issued by Accounting Standards Council (ASC) to set out the basis for preparing and presenting financial statements for the charity sector. It is applicable to financial periods beginning on or after 1 July 2011. The definitions and accounting treatments presented in the CAS are developed based on the requirements of FRS taking into account the context and circumstances relevant to the charity sector.

The Association has adopted CAS on 1 April 2012. The effects on the adoption of CAS are disclosed in Note 18.

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Association's activities. Income is recognised as follows:

2.2.1 Donations are recognised in the statement of financial activities upon receipt. Donations subject to donor-imposed conditions that specify the time period in which the expenditure can take place are accounted for as deferred income and recognised as a liability until the financial period in which the Centre is allowed by the condition to expend the income.

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

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

2.2.3 Income from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

2.2.4 Management fees are allocated costs comprised of: general management; human resource and administration; finance costs; and IT costs which are allocated among the welfare centres on a basis determined by the Executive Management Committee.

2.2.5 Interest income on bank current accounts and fixed deposits placed with banks are recognised on a time-proportion basis using the effective interest method.

2.2.6 Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 Cost recognition

All expenditures are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of generating funds from fund-raising activities

Costs that are directly attributable to the fund-raising activities are separated from those costs incurred in undertaking charitable activities.

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Association. The total costs of charitable expenditure are apportionment of overhead and shared costs.

2.3.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Association, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4 Property, plant and equipment

2.4.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

2.4.2 Depreciation

Depreciation on property, plant and equipment except renovation in progress is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Alarm and security system	5 years
Arts and music equipment	5 years
Building	50 years
Computer	3 years
Electrical and fittings	5 years
Furniture and equipment	5 years
Laundry equipment	5 years
Motor vehicles	5 years
Physio / Medical equipment	5 years
Renovation	15 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2.4.3 Subsequent expenditure

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 Association and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.5 Financial assets

2.5.1 Recognition and measurement

Trade and other receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Investments in financial assets are investments in debt or equity instruments which are recognised when it becomes a party to the contractual provisions of the instrument. These are initially measured at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the Statement of Financial Activities. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the balance sheet date.

Trade and other receivables and investments in financial assets are subsequently measured at cost less accumulated impairment losses.

2.5.2 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership.

2.5.3 Impairment

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

An allowance for impairment of financial assets is recognised when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the undiscounted future cash flows that the Association expects to receive. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the Association shall reverse the previously recognised impairment loss. The reversal shall not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.6 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes all costs of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions, which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at cost.

2.8 Financial liabilities

Financial liabilities are recognised when the Association becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Trade and other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expire. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.9 Trade and other payables

Trade and other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Association has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.11 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Executive Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Executive Management Committee retains full control over the use of unrestricted funds for any of the Association's purposes.

2. Significant accounting policies (Cont'd)

2.12 Leases

Leases of assets in which a significant portion of the risks and rewards of 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 the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognised as an expense in the statement of financial activities in the financial year in which they are incurred.

2.13 Employee compensation

Defined contribution plans are post-employment benefit plans under which the Association pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Association has no further payment obligations once the contributions have been paid. The Association's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

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 reporting date.

2.14 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

2.15 Related parties

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

3. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated useful lives of property, plant and equipment

The Association reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

Allowance for impairment of receivables

The Association reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual client. If there are indications that the financial position of a client has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Cash and cash equivalents

	2013 S\$	2012 S\$
Cash on hand	9,700	9,800
Cash in banks	6,210,313	4,143,674
Fixed deposits	<u>2,700,195</u>	<u>3,324,645</u>
	8,920,208	7,478,119
Pledged fixed deposits	<u>(238,062)</u>	<u>(185,100)</u>
Cash and cash equivalents for cash flow purposes	<u>8,682,146</u>	<u>7,293,019</u>

Fixed deposits are pledged against the Banker's Guarantee in compliance to the tenancy agreement with Singapore Land Authority.

Fixed deposits have maturity terms of 1 month to 12 months (2012: 1 month to 12 months) and have interest rates ranging from 0.05% to 2.00% (2012: 0.05% to 0.20%) per annum.

4. Cash and cash equivalents (Cont'd)

Long-term fixed deposits, excluding the pledged deposits, are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

At the reporting period, the tenures of the fixed deposits are as follows:

	2013 S\$	2012 S\$
Less than 1 month	1,462,133	1,939,086
6 months to 1 year	1,000,000	200,459
More than 1 year	<u>0</u>	<u>1,000,000</u>
	<u>2,462,133</u>	<u>3,139,545</u>

5. Trade and other receivables

	2013 S\$	2012 S\$
Trade receivables		
- Outside parties	87,684	93,273
- Allowance for bad debts	<u>(58,150)</u>	<u>(58,350)</u>
	29,534	34,923
Other receivables		
- Amount due from related parties	910	164,289
- Deposits paid	142,269	145,620
- Grant receivable	732,339	271,073
- Other debtors	297,235	108,269
- Prepayments	<u>34,033</u>	<u>28,161</u>
	<u>1,236,320</u>	<u>752,335</u>

Amount due from related parties are unsecured, interest-free, collectible on demand, and will be settled with cash.

6. Investment in financial assets

	2013 S\$	2012 S\$
Cost		
Corporate bonds	<u>506,000</u>	<u>0</u>

The corporate bonds have interest rate of 3.08% per annum and will mature on 12 September 2022.

7. Property, plant and equipment

2013	Note	Alarm and security system S\$	Arts and music equipment S\$	Building S\$	Computer S\$	Electrical and fittings S\$	Furniture and equipment S\$	Laundry equipment S\$	Motor vehicles S\$	Physio / Medical equipment S\$	Renovation S\$	Renovation in progress S\$	Total S\$
Cost													
Beginning of financial year		144,265	6,065	15,427,304	450,514	84,680	1,383,722	58,407	607,310	135,281	1,669,907	0	19,967,455
Additions		23,013	0	0	50,694	21,701	66,857	0	0	15,110	10,330	0	187,705
Disposal / Written-off		(3,109)	0	0	0	0	(30,576)	0	0	(8,990)	0	0	(42,675)
End of financial year		164,169	6,065	15,427,304	501,208	106,381	1,420,003	58,407	607,310	141,401	1,680,237	0	20,112,485
Accumulated depreciation													
Beginning of financial year		36,022	1,270	3,008,557	303,427	15,525	1,082,751	973	508,046	84,741	548,281	0	5,589,593
Depreciation charge	11	30,808	1,212	306,463	99,624	18,312	92,071	11,682	32,551	18,471	142,257	0	753,451
Disposal		(1,541)	0	0	0	0	(29,737)	0	0	(8,989)	0	0	(40,267)
End of financial year		65,289	2,482	3,315,020	403,051	33,837	1,145,085	12,655	540,597	94,223	690,538	0	6,302,777
Net book value at end of financial year													
		98,880	3,583	12,112,284	98,157	72,544	274,918	45,752	66,713	47,178	989,699	0	13,809,708
Cost													
Beginning of financial year		26,363	5,392	15,427,304	420,133	0	1,180,789	0	594,540	91,181	1,128,354	827,439	19,701,495
Additions		50,556	673	0	37,009	84,680	73,065	58,407	50,770	13,252	8,130	0	376,542
Disposal / Written-off		0	0	0	(6,628)	0	(50,157)	0	(38,000)	0	0	(15,797)	(110,582)
Transfers		67,346	0	0	0	0	180,025	0	0	30,848	533,423	(811,642)	0
End of financial year		144,265	6,065	15,427,304	450,514	84,680	1,383,722	58,407	607,310	135,281	1,669,907	0	19,967,455
Accumulated depreciation													
Beginning of financial year		9,163	90	2,702,092	225,800	0	1,016,691	0	499,993	66,383	406,873	0	4,927,085
Depreciation charge	11	26,859	1,180	306,465	84,255	15,525	114,060	973	46,053	18,358	141,408	0	755,136
Disposal		0	0	0	(6,628)	0	(48,000)	0	(38,000)	0	0	0	(92,628)
End of financial year		36,022	1,270	3,008,557	303,427	15,525	1,082,751	973	508,046	84,741	548,281	0	5,589,593
Net book value at end of financial year													
		108,243	4,795	12,418,747	147,087	69,155	300,971	57,434	99,264	50,540	1,121,626	0	14,377,862

In 2012, renovation in progress amounting to S\$15,797 was written-off and charged under "Property, plant and equipment expensed".

8. Trade and other payables

	2013 S\$	2012 S\$
Trade payables		
- Outside parties	727,393	173,597
Other payables		
- Amount due to related parties	77,435	339
- Accruals	798,479	898,428
- Deferred income	235,664	172,489
- Deposits received	106,112	80,472
- Other creditor	22,916	1,248
- Pre-event costs	102,328	44,743
	<u>2,070,327</u>	<u>1,371,316</u>

Amount due to related parties are unsecured, interest-free, payable on demand, and will be settled with cash.

9. Funds

9.1 Investment fund

In a meeting held on 28 September 1997, the Executive Management Committee resolved that 20% of the annual surplus should be transferred to this fund.

9.2 Project account reserve

This reserve is for setting up new centres and closing existing ones.

9.3 Sinking fund

This fund is for maintenance of the building property of Metta Building and Metta Home for the Disabled.

9.4 Designated fund

This fund is composed of the following:

9.4.1 Alumni welfare fund

This fund is to support Happy Arts Enterprise Ltd.'s training programs and other alumni related expenses.

9.4.2 Client welfare fund

This fund is used to pay various expenses for the benefit of the clients at Metta Day Activity Centre for the Intellectually Disabled and Metta Home Day Activity Centre.

9. Funds (Cont'd)

9.4 Designated fund (Cont'd)

9.4.3 Equipment fund

This fund is used to purchase electrical appliances and exercise equipment for the clients of Metta Day Rehabilitation Centre for the Elderly.

9.4.4 HIV fund

This fund is established in partnership with Action for Aids to assist patients of Metta Hospice Care Centre afflicted with Aids by raising funds to purchase antiretroviral drugs for these patients.

9.4.5 Medicine fund

This fund helps subsidise cost of medication and other pharmaceutical expenses of the clients of Metta Hospice Care Centre.

9.4.6 Metta School reserve

This reserve pertains to the money returned by Metta School to be held in trust by the Association.

9.4.7 Student welfare fund

This fund is used to pay for recess meals as well as educational and recreational outings of Metta School students.

9.4.8 The Late Mrs. Teoh Siok Loo fund

This fund is used to cover the costs not subsidised under the government means-testing funding for hospice clients.

9.5 Building fund

This fund was established in financial year 2010 for the opening of the Preschool. It is currently being used for the on-going renovations works at the Preschool's premises.

9.6 Education trust fund

This fund is for the benefit of special needs children between 7 and 21 years old of Metta School and Alumni youths.

10. Income

2013	Unrestricted fund											Restricted Fund			
	General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	HIV fund S\$	Medicine fund S\$	Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$	Education trust fund S\$	Total S\$
Voluntary income															
Donations – Tax exempt	846,804	0	0	0	0	0	0	0	0	0	0	0	0	0	846,804
Donations – Non-tax exempt	370,240	0	0	0	0	0	0	0	0	0	0	0	0	0	370,240
Donations – Designated	322,725	0	0	0	10	8,087	0	0	1,129	2	77,000	41,949	0	1,082	451,984
Government grants	4,829,566	0	0	0	0	0	0	0	0	0	0	0	0	0	4,829,566
NCSS grants	1,002,470	0	0	0	0	0	0	0	0	0	0	0	0	0	1,002,470
President's Challenge	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0	70,000
Temasek Care Grant	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0	75,000
Tote Board grants	106,506	0	0	0	0	0	0	0	0	0	0	0	0	0	106,506
	<u>7,623,311</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>8,087</u>	<u>0</u>	<u>0</u>	<u>1,129</u>	<u>2</u>	<u>77,000</u>	<u>41,949</u>	<u>0</u>	<u>1,082</u>	<u>7,752,570</u>
Activities for generating funds															
Fund-raising income	1,084,867	0	0	0	0	0	0	0	0	0	0	0	0	0	1,084,867
Event and activity income	180,028	0	0	0	0	0	0	0	0	0	0	0	0	0	180,028
	<u>1,264,895</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,264,895</u>
Investment income															
Interest income	18,490	0	0	0	0	0	0	0	0	0	0	0	0	0	18,490
Income from charitable activities															
Buddhist activity income	1,374,710	0	0	0	0	0	0	0	0	0	0	0	0	0	1,374,710
Fees received	1,207,951	0	0	0	0	0	0	0	0	0	0	0	0	0	1,207,951
Membership fee	2,694	0	0	0	0	0	0	0	0	0	0	0	0	0	2,694
Others	80,491	0	0	0	0	0	0	0	0	0	0	0	0	0	80,491
Transport service fee	106,666	0	0	0	0	0	0	0	0	0	0	0	0	0	106,666
	<u>2,772,512</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,772,512</u>
Other income															
Management fee	43,200	0	0	0	0	0	0	0	0	0	0	0	0	0	43,200
Sundry income	7,874	0	0	0	0	0	0	0	0	0	0	0	0	0	7,874
	<u>51,074</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,074</u>

10. Income (Cont'd)

	Unrestricted Fund											Restricted Fund			
	General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	HIV fund S\$	Medicine fund S\$	Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$	Education trust fund S\$	Total S\$
2012 (As restated)	Note														
Voluntary income															
Donations – Tax exempt		776,664	0	0	0	0	0	0	0	0	0	0	0	0	776,664
Donations – Non-tax exempt		318,296	0	0	0	0	0	0	0	0	0	0	0	0	318,296
Donations – Designated		294,001	0	0	122,298	5,113	0	1,722	99	29,072	0	0	947	0	453,252
Government grants		4,245,877	0	0	0	0	0	0	0	0	0	0	0	0	4,245,877
NCSS grants		1,108,913	0	0	0	0	0	0	0	0	0	0	0	0	1,108,913
President's Challenge		330,000	0	0	0	0	0	0	0	0	0	0	0	0	330,000
Temasek Care Grant		75,000	0	0	0	0	0	0	0	0	0	0	0	0	75,000
Tote Board grants		210,950	0	0	0	0	0	0	0	0	0	0	0	0	210,950
		<u>7,359,701</u>	<u>0</u>	<u>0</u>	<u>122,298</u>	<u>5,113</u>	<u>0</u>	<u>1,722</u>	<u>99</u>	<u>29,072</u>	<u>0</u>	<u>0</u>	<u>947</u>	<u>0</u>	<u>7,518,952</u>
Activities for generating funds															
Fund-raising income		828,592	0	0	0	0	0	0	0	0	0	0	0	0	828,592
Event and activity income		138,162	0	0	0	0	0	0	0	0	0	0	0	0	138,162
		<u>966,754</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>966,754</u>
Investment income															
Interest income		12,185	0	0	0	0	0	0	0	0	0	0	0	0	12,185
Income from charitable activities															
Buddhist activity income		1,152,584	0	0	0	0	0	0	0	0	0	0	0	0	1,152,584
Fees received		1,176,775	0	0	0	0	0	0	0	0	0	0	0	0	1,176,775
Membership fee		2,308	0	0	0	0	0	0	0	0	0	0	0	0	2,308
Others		9,108	0	0	0	0	0	0	0	0	0	0	0	0	9,108
Transport service fee		66,340	0	0	0	0	0	0	0	0	0	0	0	0	66,340
		<u>2,407,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,407,115</u>
Other income															
Management fee	14	83,250	0	0	0	0	0	0	0	0	0	0	0	0	83,250
Sundry income		61,339	0	0	0	0	0	0	0	0	0	0	0	0	61,339
		<u>144,589</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>144,589</u>

Donations-in-kind, mostly consumables are received during the year. However, the fair value of the assets received cannot be reasonably ascertained. Hence, the assets are not recognised in the books.

11. Expenditure

	Unrestricted Fund											Restricted Fund			
	General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	HIV fund S\$	Medicine fund S\$	Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$	Education trust fund S\$	Total S\$
2013	Note														
Cost of generating funds															
Fund-raising expenditure		256,837	0	0	0	0	0	0	0	0	0	0	0	0	256,837
Event and activity expense		121,049	0	0	0	0	0	0	0	0	0	0	0	0	121,049
Donation expense		20,493	0	0	0	0	0	0	0	0	0	0	0	0	20,493
Designated expenses		227,491	0	0	48	0	0	0	0	0	35,755	8,789	0	5,248	277,331
Investment expense		1,013	0	0	0	0	0	0	0	0	0	0	0	0	1,013
		<u>626,883</u>	<u>0</u>	<u>0</u>	<u>48</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,755</u>	<u>8,789</u>	<u>0</u>	<u>5,248</u>	<u>676,723</u>
Cost of charitable activities															
Buddhist activity expense		415,678	0	0	0	0	0	0	0	0	0	0	0	0	415,678
Depreciation	7	753,451	0	0	0	0	0	0	0	0	0	0	0	0	753,451
Direct activity expenses															
- Meals and refreshments		63,392	0	0	0	0	0	0	0	0	0	0	0	0	63,392
- Medical and physical aids		27,388	0	0	0	0	0	0	0	0	0	0	0	0	27,388
- Medical professional fee		230,337	0	0	0	0	0	0	0	0	0	0	0	0	230,337
- Other expense		10,945	0	0	0	0	0	0	0	0	0	0	0	0	10,945
- Outings and activities		5,249	0	0	0	0	0	0	0	0	0	0	0	0	5,249
- Training and teaching materials		10,308	0	0	0	0	0	0	0	0	0	0	0	0	10,308
- Transportation		139,837	0	0	0	0	0	0	0	0	0	0	0	0	139,837
- Uniform		3,990	0	0	0	0	0	0	0	0	0	0	0	0	3,990
Public education		3,672	0	0	0	0	0	0	0	0	0	0	0	0	3,672
Rental															
- Building		1,295,115	0	0	0	0	0	0	0	0	0	0	0	0	1,295,115
- Equipment		33,928	0	0	0	0	0	0	0	0	0	0	0	0	33,928
Staff costs															
- CPF/SDL and levy		739,500	0	0	0	0	0	0	0	0	0	0	0	0	739,500
- Medical		51,153	0	0	0	0	0	0	0	0	0	0	0	0	51,153
- Salaries and bonus		4,956,219	0	0	0	0	0	0	0	0	0	0	0	0	4,956,219
- Temporary service		3,023	0	0	0	0	0	0	0	0	0	0	0	0	3,023
- Transportation		4,751	0	0	0	0	0	0	0	0	0	0	0	0	4,751
- Un-utilised leave		30,223	0	0	0	0	0	0	0	0	0	0	0	0	30,223
- Welfare and training		173,284	0	0	0	0	0	0	0	0	0	0	0	0	173,284
Balance carried forward		8,951,443	0	0	0	0	0	0	0	0	0	0	0	0	8,951,443

11. Expenditure (Cont'd)

	Unrestricted Fund												Restricted Fund		Total S\$		
	General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	HIV fund S\$	Medicine fund S\$	Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$	Education trust fund S\$			
2012 (Cont'd)																	
Cost of charitable activities																	
Balance brought forward	8,403,169	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,403,169
Upkeep, repairs and maintenance																	
- Equipment	20,704	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,704
- General	148,929	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	148,929
- Motor vehicles	64,427	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	64,427
Utilities	439,461	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	439,461
Others																	
- General expenses	18,024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,024
- License and subscription	5,290	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,290
- Meeting expenses	8,662	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,662
- Overseas travel	1,450	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,450
- Printing, stationery and postage	47,282	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47,282
- Telecommunication	75,175	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75,175
	<u>9,232,573</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,232,573</u>
Governance and other administrative costs																	
Audit fees	18,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,300
Bank charges	2,305	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,305
Cost of goods sold	15,890	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,890
Loss on disposal of property, plant and equipment	2,157	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,157
Newspapers and periodicals	1,238	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,238
Other professional fees	34,194	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,194
Property, plant and equipment expensed	40,143	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40,143
Property, plant and equipment insurance	29,047	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	29,047
Provision for bad debts	2,148	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,148
Recruitment	7,187	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,187
	<u>152,609</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>152,609</u>

12. Operating lease commitments

As at the reporting date, the Association has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2013 S\$	2012 S\$
Rental of building		
Not later than one year	1,368,384	1,141,707
More than a year but not more than five years	<u>0</u>	<u>1,141,707</u>
	<u>1,368,384</u>	<u>2,283,414</u>
Rental of equipment		
Not later than one year	36,619	33,836
More than a year but not more than five years	<u>125,273</u>	<u>47,808</u>
	<u>161,892</u>	<u>81,644</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

13. Income tax expense

The Association is registered as a charity organisation under Charities Act, Chapter 37. As an approved charity, it is exempt from income tax under Section 13(1) of the Income Tax Act.

14. Related party transactions

The Association had transactions with related parties on terms agreed between the parties as follows:

	2013 S\$	2012 S\$
Income received by Association on behalf of the related party	470,066	209,707
Expenses paid by Association on behalf of the related party	93,561	121,063
Expenses paid on behalf of the Association	1,685	0
Sale of goods	582	10,623
Purchase of services	72,981	172,320
Management fee income	11 43,200	83,250

The balances with related parties as at the reporting date are set out in Notes 5 and 8.

During the financial year, two (2012: one) of the Executive Management Committee members received honorariums for services rendered during Buddhist culture activities totalling to S\$21,440 (2012: S\$2,400). Other members did not receive any remuneration during the financial year.

15. Key management personnel compensation

The number of key management personnel in remuneration bands is as follows:

Remuneration band	2013 No. of key management personnel	2012 No. of key management personnel
Between S\$100,001 to \$150,000	3	2
Between S\$50,001 to \$100,000	4	5
S\$50,000 and below	<u>0</u>	<u>0</u>

16. Management of conflict of interest

There is no paid staff on the Association's Executive Management Committee.

Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Association may enter into or in any organisations that the Association has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Association's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Executive Management Committee member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

17. Reserve policy and position

The Association's reserve position for financial year ended 31 March 2013 is as follows:

		2013	2012	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	18,186	17,339	4.88
	Investment fund	1,611	1,378	16.91
	Project account reserve	1,188	1,188	0
	Sinking fund	279	232	20.26
	Total	21,264	20,137	5.60
B	Restricted or Designated Funds			
	Designated Funds	466	383	21.67
	Restricted Funds	677	725	(6.62)
C	Endowment Funds	0	0	0
D	Total Funds	22,407	21,245	5.47
E	Total Annual Operating Expenditure	10,696	10,192	4.77
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.99	1.98	0.51

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
D. Total Funds include unrestricted, restricted / designated and endowment funds.
E. Total Annual Operating Expenditure includes expenses related to Cost of generating funds, Cost of Charitable Activities and Governance and Other Administrative costs.

The Association's reserve policy is as follows:

The Association regards its unrestricted general fund as its reserves.

The Association maintains sufficient reserve to ensure long-term financial sustainability and continuity for the purpose of operating effective programmes.

The maximum operating reserves shall be five (5) years of annual operating expenditure, with annual operating expenditure being five (5) times the annual expenditure over the last three (3) years.

18. Comparative figures

Certain line items have been adjusted and reclassified on the face of the statement of financial position, statement of financial activities, statement of cash flows and the related notes to the financial statements to reflect the change in accounting policy resulting from adoption of CAS, as shown below:

	As previously reported S\$	Adjustments S\$	Reclassifications S\$	As restated S\$
2012				
Statement of financial position				
Liabilities				
- Deferred capital grants	13,947,273	(13,947,273)	0	0
Funds				
- General fund	3,391,271	13,947,273	0	17,338,544
	<u>17,338,544</u>	<u>0</u>	<u>0</u>	<u>17,338,544</u>

18. Comparative figures (Cont'd)

	As previously reported S\$	Adjustments S\$	Reclassifications S\$	As restated S\$
2012				
Statement of financial activities				
Incoming resources from generating funds				
- Voluntary income				
Donations - Designated	259,879	34,122	0	294,001
Government grants	3,980,114	265,763	0	4,245,877
Amortisation of deferred capital grant	603,801	(603,801)	0	0
- Investment income	0	0	12,185	12,185
Other income	156,774	0	(12,185)	144,589
Cost of generating funds				
- Designated expenses	(824,088)	16,939	0	(807,149)
	<u>4,176,480</u>	<u>(286,977)</u>	<u>0</u>	<u>3,889,503</u>
Statement of cash flows				
Operating activities				
- Net income	1,144,241	(286,977)	0	857,264
- Amortisation of deferred capital grant	(603,801)	603,801	0	0
Financing activities				
- Grants received	316,824	(316,824)	0	0
	<u>857,264</u>	<u>0</u>	<u>0</u>	<u>0</u>

Grants received for the purchase of depreciable assets were taken to deferred capital grant accounts. The deferred grants were recognised in the statement of financial activities over the years necessary to match the depreciation of property, plant, and equipment to which the grants relate. With the adoption of CAS, the Centre recognised the grants in the statement of financial activities at the point when it has entitlement to the income and not deferred over the life of the asset.

The funds received during the previous financial years for the purchase of property, plant and equipment are taken to the general fund account and subsequently reduced over the useful lives of the assets in line with its depreciation.

Interest income previously under other income is now presented under investment income.

19. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Executive Management Committee on 27 July 2013.