

METTA WELFARE ASSOCIATION

[Unique Entity No. S94SS0081K]

[IPC No. IPC000269]

[Registered under the Registrar of Societies]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

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STATEMENT BY EXECUTIVE MANAGEMENT COMMITTEE

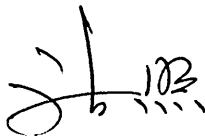
In the opinion of the Executive Management Committee,

- a) the financial statements as set out on pages 5 to 32 are drawn up so as to give a true and fair view of the state of affairs of the Association at 31 March 2014, 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, authorized the issue of these financial statements on **01 SEP 2014**

President	Lai Meng Wah @ Shi Fa Zhao
First Vice President	Lee Siew Hoong @ Shi Fa Cheng (Appointed on 29 March 2014)
Second Vice President	Tan Ming Yong
Honorary Secretary	Tan Yen Kee
Assistant Honorary Secretary	Khua Kian Kheng, Ivan
Honorary Treasurer	Tay Khin Sian, Anthony
Assistant Honorary Treasurer	Yeong Wai Chee, Raymond
Committee Member	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 Khiang
Committee Member	Tsang Siu For, Thomas
Committee Member	Woo Khai San, Victor

On behalf of the Executive Management Committee,



Lai Meng Wah @ Shi Fa Zhao
President



Tay Khin Sian, Anthony
Honorary Treasurer

Singapore,

01 SEP 2014

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Independent auditors' report to the members of:

METTA WELFARE ASSOCIATION

[Unique Entity No. S94SS0081K]
[IPC No. IPC000269]

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REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of Metta Welfare Association (the "Association") set out on pages 5 to 32, which comprise the statement of financial position as at 31 March 2014, 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 unauthorized use or disposition, that transactions are properly authorized 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.

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(CONT'D)

Independent auditors' report to the members of:

METTA WELFARE ASSOCIATION

[Unique Entity No. S94SS0081K]
[IPC No. IPC000269]

[Registered under the Registrar of Societies]

Opinion

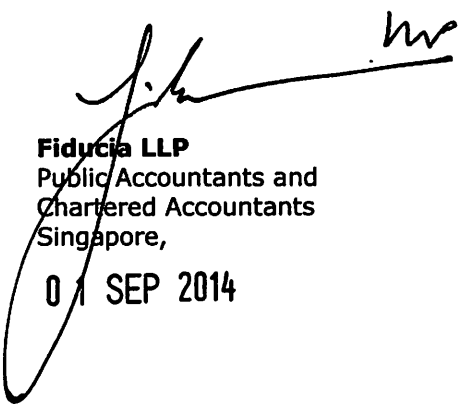
In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard so as to give a true and fair view of the state of affairs of the Association as at 31 March 2014, 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
Singapore,

01 SEP 2014

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	9,021,052	8,920,208
Trade and other receivables	5	1,042,553	1,236,320
Inventories		<u>7,902</u>	<u>4,945</u>
		<u>10,071,507</u>	<u>10,161,473</u>
Non-current assets			
Investment in financial assets	6	1,018,600	506,000
Property, plant and equipment	7	<u>13,611,451</u>	<u>13,809,708</u>
		<u>14,630,051</u>	<u>14,315,708</u>
Total assets		<u>24,701,558</u>	<u>24,477,181</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	<u>1,657,749</u>	<u>2,070,327</u>
Total liabilities		<u>1,657,749</u>	<u>2,070,327</u>
NET ASSETS		<u>23,043,809</u>	<u>22,406,854</u>
FUNDS			
Unrestricted funds			
General fund		18,725,628	18,185,531
Investment fund	9	1,738,102	1,610,712
Project account reserve	9	1,517,134	1,187,647
Sinking fund	9	272,841	279,222
Designated funds	9	<u>441,932</u>	<u>466,414</u>
		<u>22,695,637</u>	<u>21,729,526</u>
Restricted funds			
Building fund	9	0	329,487
Education trust fund	9	<u>348,172</u>	<u>347,841</u>
		<u>348,172</u>	<u>677,328</u>
Total funds		<u>23,043,809</u>	<u>22,406,854</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Unrestricted funds												Restricted funds		Total S\$	
		General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Children welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	Designated funds		Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$		Education trust fund S\$
INCOME																	
Income from generated funds																	
- Voluntary income	10	7,972,141	0	0	0	400	0	2,428	0	0	1,188	0	9,800	20,000	0	331	8,006,288
- Activities for generating funds	10	1,197,901	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,197,901
- Investment income	10	63,211	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63,211
Income from charitable activities	10	3,368,738	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,368,738
Other income	10	53,443	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,443
Total income		12,655,434	0	0	0	400	0	2,428	0	0	1,188	0	9,800	20,000	0	331	12,689,581
EXPENDITURE																	
Cost of generating funds	11	484,363	0	0	0	1,198	79	0	462	0	0	0	3,890	50,069	0	0	540,061
Cost of charitable activities	11	10,323,819	0	0	49,652	0	0	0	0	0	0	0	0	0	0	0	10,373,471
Governance and other administrative costs	11	1,139,094	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,139,094
Total expenditure		11,947,276	0	0	49,652	1,198	79	0	462	0	0	0	3,890	50,069	0	0	12,052,626

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

	Unrestricted funds				Designated funds									Restricted funds		
	General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Children 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\$
2014 (Cont'd)																
NET INCOME / (EXPENDITURE)	708,158	0	0	(49,652)	(798)	(79)	2,428	(462)	0	1,188	0	5,910	(30,069)	0	331	636,955
GROSS TRANSFERS BETWEEN FUNDS																
Transfer to / (from) of funds	(168,061)	127,390	329,487	43,271	275,932	35,000	0	6,500	(13,000)	3,900	0	(310,932)	0	(329,487)	0	0
NET MOVEMENT IN FUNDS	540,097	127,390	329,487	(6,381)	275,134	34,921	2,428	6,038	(13,000)	5,088	0	(305,022)	(30,069)	(329,487)	331	636,955
TOTAL FUNDS BROUGHT FORWARD	18,185,531	1,610,712	1,187,647	279,222	70,420	0	21,054	16,353	13,000	7,405	0	305,022	33,160	329,487	347,841	22,406,854
TOTAL FUNDS CARRIED FORWARD	18,725,628	1,738,102	1,517,134	272,841	345,554	34,921	23,482	22,391	0	12,493	0	0	3,091	0	348,172	23,043,809

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

	Note	Unrestricted funds											Restricted funds		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\$	Designated funds		Metta School reserve S\$	Student welfare fund S\$	The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$		Education trust fund S\$
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	9,206,531	0	0	0	0	0	0	0	0	0	0	0	0	0	9,206,531
Governance and other administrative costs	11	812,732	0	0	0	0	0	0	0	0	0	0	0	0	0	812,732
Total expenditure		10,646,146	0	0	0	48	0	0	0	0	0	35,755	8,789	0	5,248	10,695,986

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

	Unrestricted funds												Restricted funds		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\$	Designated funds			The Late Mrs. Teoh Siok Loo fund S\$	Building fund S\$	Education trust fund S\$		
2013 (Cont'd)							HIV fund S\$	Medicine fund S\$	Metta School reserve S\$	Student welfare fund S\$					
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	0	(121,985)	121,985	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	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

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 S\$	2013 S\$
Cash flows from operating activities			
Net income		636,955	1,163,555
Adjustments for:			
- Depreciation	7	735,415	753,451
- Interest income	10	(63,211)	(18,490)
- Loss on disposal of fixed assets	11	0	2,376
- Profit on disposal of fixed assets	7	(11,134)	0
Operating cash flow before working capital changes		<u>1,298,025</u>	<u>1,900,892</u>
Changes in operating assets and liabilities:			
- Trade and other receivables		193,767	(483,985)
- Inventories		(2,957)	1,354
- Trade and other payables		(412,578)	699,011
Cash generated from operations		<u>1,076,257</u>	<u>2,117,272</u>
Interest received		3,013	6,075
Net cash provided by operating activities		<u>1,079,270</u>	<u>2,123,347</u>
Cash flows from investing activities			
Increase in pledged deposits		(290,240)	(52,962)
Interest received		60,198	12,415
Placement of investment		(512,600)	(506,000)
Proceeds from disposal of property, plant and equipment		11,134	32
Purchases of property, plant and equipment	7	(537,158)	(187,705)
Net cash (used in) / provided by investing activities		<u>(1,268,666)</u>	<u>(734,220)</u>
Net increase in cash and cash equivalents		(189,396)	1,389,127
Cash and cash equivalents at beginning of financial year		<u>8,682,146</u>	<u>7,293,019</u>
Cash and cash equivalents at end of financial year	4	<u>8,492,750</u>	<u>8,682,146</u>
Cash and cash equivalents comprise:			
Cash on hand	4	11,645	9,700
Cash in banks	4	4,398,265	6,210,313
Fixed deposits	4	4,082,840	2,462,133
		<u>8,492,750</u>	<u>8,682,146</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 organization under Charities Act, Chapter 37 on 9 March 1995 and has been accorded an Institution of a Public Character ("IPC") status for the period from 2 May 2013 to 1 May 2016.

The Association is composed of nine (9) 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
9. Metta Alumni Care

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)

2.2 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 recognized as follows:

2.2.1 Donations are recognized 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 recognized as a liability until the financial period in which the Centre is allowed by the condition to expend the income.

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

2.2.2 Government grants are recognized 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 recognized 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 recognized on a time-proportion basis using the effective interest method.

2.2.6 Other income is recognized when received.

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. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment

2.4.1 Measurement

All property, plant and equipment are initially recognized 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.

2.4.2 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
Aircon	5 years
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
Kitchen 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 have already been recognized 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 recognized 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.

2.5 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. Significant accounting policies (Cont'd)

2.6 Financial assets

2.6.1 Recognition and measurement

Trade and other receivables, excluding prepayments, are initially recognized at their transaction price, excluding transaction costs, if any. Transaction costs shall be recognized as expenditure in the statement of financial activities as incurred. Prepayments are initially recognized 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 recognized 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 recognized 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.

2.6.2 Derecognition

Financial assets are derecognized 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.

2.6.3 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 recognized 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 reorganization, and default or delinquency in payments is 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 recognized 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 recognized, the Association shall reverse the previously recognized 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 recognized. The amount of reversal is recognized in the statement of financial activities.

2.7 Inventories

Inventories are carried at the lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business less selling expenses.

2. Significant accounting policies (Cont'd)

2.8 Financial liabilities

Financial liabilities are recognized 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 recognized in the statement of financial activities. Financial liabilities include "Trade and other payables".

Financial liabilities are derecognized 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 recognized in the statement of financial activities.

2.9 Trade and other payables

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

2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized 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.

2.12 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 recognized 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 recognized as an expense in the statement of financial activities in the financial year in which they are incurred.

2.13 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.

2. Significant accounting policies (Cont'd)

2.14 Employee compensation

2.14.1 Defined contribution plans

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 recognized as employee compensation expense when they are due.

2.14.2 Employee compensation

Employee entitlements to annual leave are recognized 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.

2.15 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 recognized in the statement of financial activities.

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.

3.1 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.

3.1.1 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.

3.1.2 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

	2014 S\$	2013 S\$
Cash on hand	11,645	9,700
Cash in banks	4,398,265	6,210,313
Fixed deposits	<u>4,611,142</u>	<u>2,700,195</u>
	9,021,052	8,920,208
Pledged fixed deposits	<u>(528,302)</u>	<u>(238,062)</u>
Cash and cash equivalents for cash flow purposes	<u>8,492,750</u>	<u>8,682,146</u>

Fixed deposits have maturity terms of 6 to 36 months (2013: 1 to 12 months) and interest rates ranging from 0.25% to 1.10% (2013: 0.05% to 2.00%) per annum.

Fixed deposits amounting to S\$238,062 and S\$240,240 are pledged against the Banker's Guarantee in compliance to the tenancy agreement with Singapore Land Authority, which will expire on 29 June 2014 and 29 June 2017, respectively.

Fixed deposit amounting to S\$50,000 is pledged to an existing credit facility with a certain financial institution.

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 date, the tenures of the fixed deposits are as follows:

	2014 S\$	2013 S\$
Less than 1 month	435,000	1,462,133
6 months to 1 year	<u>3,647,840</u>	<u>1,000,000</u>
	<u>4,082,840</u>	<u>2,462,133</u>

5. Trade and other receivables

	2014 S\$	2013 S\$
Trade receivables		
- Outside parties	88,107	87,684
- Allowance for bad debts	<u>(57,950)</u>	<u>(58,150)</u>
	30,157	29,534
Other receivables		
- Amount due from related parties	7,064	910
- Deposits paid	154,066	142,269
- Donations and grants receivable	253,735	732,339
- Other debtors	431,416	297,235
- Prepayments	<u>166,115</u>	<u>34,033</u>
	<u>1,042,553</u>	<u>1,236,320</u>

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

6. Investment in financial assets

	2014 S\$	2013 S\$
At cost		
Corporate bonds in Singapore	<u>1,018,600</u>	<u>506,000</u>

The corporate bonds have interest rates of 3.08% and 4.25% (2013: 3.08%) per annum and will mature on 12 September 2022 and 29 September 2049 (2013: 12 September 2022), respectively.

7. Property, plant and equipment

	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Balance at end of financial year S\$
2014				
Cost				
Aircon	0	309,174	0	309,174
Alarm and security system	164,169	16,390	0	180,559
Arts and music equipment	6,065	0	0	6,065
Building	15,427,304	0	0	15,427,304
Computer	501,208	40,524	0	541,732
Electrical and fittings	106,381	26,863	0	133,244
Furniture and equipment	1,305,338	25,682	0	1,331,020
Kitchen equipment	114,665	27,150	(2,284)	139,531
Laundry equipment	58,407	0	0	58,407
Motor vehicles	607,310	9,086	(12,152)	604,244
Physio / Medical equipment	141,401	9,660	0	151,061
Renovation	1,680,237	16,810	0	1,697,047
Renovation in progress	0	55,819	0	55,819
	<u>20,112,485</u>	<u>537,158</u>	<u>(14,436)</u>	<u>20,635,207</u>
	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written back/ off) S\$	Balance at end of financial year S\$
Accumulated depreciation				
Aircon	0	97	0	97
Alarm and security system	65,289	32,433	0	97,722
Arts and music equipment	2,482	1,306	0	3,788
Building	3,315,020	306,465	0	3,621,485
Computer	403,051	85,169	0	488,220
Electrical and fittings	33,837	22,453	0	56,290
Furniture and equipment	1,098,693	70,514	0	1,169,207
Kitchen equipment	46,392	23,627	(2,284)	67,735
Laundry equipment	12,655	11,681	0	24,336
Motor vehicles	540,597	22,401	(12,152)	550,846
Physio / Medical equipment	94,223	16,069	0	110,292
Renovation	690,538	143,200	0	833,738
Renovation in progress	0	0	0	0
	<u>6,302,777</u>	<u>735,415</u>	<u>(14,436)</u>	<u>7,023,756</u>

7. Property, plant and equipment (Cont'd)

2014 (Cont'd)	Balance at beginning of financial year S\$	Balance at end of financial year S\$
Net book value		
Aircon	0	309,077
Alarm and security system	98,880	82,837
Arts and music equipment	3,583	2,277
Building	12,112,284	11,805,819
Computer	98,157	53,512
Electrical and fittings	72,544	76,954
Furniture and equipment	206,645	161,813
Kitchen equipment	68,273	71,796
Laundry equipment	45,752	34,071
Motor vehicles	66,713	53,398
Physio / Medical equipment	47,178	40,769
Renovation	989,699	863,309
Renovation in progress	0	55,819
	<u>13,809,708</u>	<u>13,611,451</u>

2013	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Balance at end of financial year S\$
Cost				
Alarm and security system	144,265	23,013	(3,109)	164,169
Arts and music equipment	6,065	0	0	6,065
Building	15,427,304	0	0	15,427,304
Computer	450,514	50,694	0	501,208
Electrical and fittings	84,680	21,701	0	106,381
Furniture and equipment	1,289,365	46,548	(30,576)	1,305,337
Kitchen equipment	94,357	20,309	0	114,666
Laundry equipment	58,407	0	0	58,407
Motor vehicles	607,310	0	0	607,310
Physio / Medical equipment	135,281	15,110	(8,990)	141,401
Renovation	1,669,907	10,330	0	1,680,237
	<u>19,967,455</u>	<u>187,705</u>	<u>(42,675)</u>	<u>20,112,485</u>

7. Property, plant and equipment (Cont'd)

2013 (Cont'd)	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written back/ off) S\$	Balance at end of financial year S\$
Accumulated depreciation				
Alarm and security system	36,022	30,808	(1,541)	65,289
Arts and music equipment	1,270	1,212	0	2,482
Building	3,008,557	306,463	0	3,315,020
Computer	303,427	99,624	0	403,051
Electrical and fittings	15,525	18,312	0	33,837
Furniture and equipment	1,056,740	71,690	(29,737)	1,098,693
Kitchen equipment	26,011	20,381	0	46,392
Laundry equipment	973	11,682	0	12,655
Motor vehicles	508,046	32,551	0	540,597
Physio / Medical equipment	84,741	18,471	(8,989)	94,223
Renovation	548,281	142,257	0	690,538
	<u>5,589,593</u>	<u>753,451</u>	<u>(40,267)</u>	<u>6,302,777</u>
	Balance at beginning of financial year S\$			Balance at end of financial year S\$
Net book value				
Alarm and security system	108,243			98,880
Arts and music equipment	4,795			3,583
Building	12,418,747			12,112,284
Computer	147,087			98,157
Electrical and fittings	69,155			72,544
Furniture and equipment	232,625			206,644
Kitchen equipment	68,346			68,274
Laundry equipment	57,434			45,752
Motor vehicles	99,264			66,713
Physio / Medical equipment	50,540			47,178
Renovation	1,121,626			989,699
	<u>14,377,862</u>			<u>13,809,708</u>

8. Trade and other payables

	2014 S\$	2013 S\$
Trade payables		
- Outside parties	146,431	727,393
Other payables		
- Accruals	985,938	798,479
- Advance receipts	402,383	337,992
- Amount due to related parties	8,789	77,435
- Deposits received	112,048	106,112
- Other creditor	2,160	22,916
	<u>1,657,749</u>	<u>2,070,327</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 funds

This fund is composed of the following:

9.4.1 Alumni welfare fund

This fund is to support the alumni's training programs and other related expenses.

9.4.2 Children welfare fund

This fund is used to pay various expenses for the benefit of the Preschool's students.

9.4.3 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)

9.4.4 Equipment fund

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

9.4.5 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.

9.4.6 Medicine fund

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

9.4.7 Metta School reserve

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

9.4.8 Student welfare fund

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

9.4.9 The Late Mrs. Teoh Siok Loo fund

This fund is used to cover the costs not subsidized 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.

The fund balances are not presented by any specific accounts, but are presented by all assets and liabilities of the Home.

Transfer (to) / from of funds were approved by the Executive Management Committee to meet the remaining obligations of each designated funds.

10. Income

	Unrestricted fund													Restricted Fund		Total S\$	
	General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Children 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\$		
2014																	
Voluntary income																	
Donations – Tax exempt	780,206	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	780,206
Donations – Non-tax exempt	320,659	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	320,659
Donations – Designated	497,779	0	0	0	400	0	2,428	0	0	1,188	0	9,800	20,000	0	331	0	531,926
Grants – Government	5,246,700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,246,700
Grants – Non – Government	50,069	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,069
NCSS grants	315,290	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	315,290
Temasek Care Grant	56,700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56,700
Tote Board grants	704,738	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	704,738
	7,972,141	0	0	0	400	0	2,428	0	0	1,188	0	9,800	20,000	0	331	0	8,006,288
Activities for generating funds																	
Corporate social responsibility	5,555	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,555
Event and activity	226,713	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	226,713
Fund-raising	965,633	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	965,633
	1,197,901	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,197,901
Investment income																	
Interest Income	63,211	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63,211
Income from charitable activities																	
Buddhist activity Income	2,046,910	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,046,910
Fees received	1,104,252	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,104,252
Membership fee	2,005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,005
Sales	48,592	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48,592
Transport service fee	130,799	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	130,799
Others	36,180	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,180
	3,368,738	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,368,738
Other income																	
Profit on disposal fixed assets	11,134	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,134
Sundry	42,309	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42,309
	53,443	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53,443

10. Income (Cont'd)

	Note	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 Sioh Loo fund S\$	Building fund S\$		Education trust fund S\$
2013																
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	1,082	0	451,984
Grants - Government		4,820,775	0	0	0	0	0	0	0	0	0	0	0	0	0	4,820,775
Grants - Non - Government		8,791	0	0	0	0	0	0	0	0	0	0	0	0	0	8,791
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																
Event and activity income		180,028	0	0	0	0	0	0	0	0	0	0	0	0	0	180,028
Fund-raising income		1,084,867	0	0	0	0	0	0	0	0	0	0	0	0	0	1,084,867
		<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
Transport service fee		106,666	0	0	0	0	0	0	0	0	0	0	0	0	0	106,666
Sales		49,413	0	0	0	0	0	0	0	0	0	0	0	0	0	49,413
Others		31,078	0	0	0	0	0	0	0	0	0	0	0	0	0	31,078
		<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	14	43,200	0	0	0	0	0	0	0	0	0	0	0	0	0	43,200
Sundry		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>

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 recognized in the books.

11. Expenditure

2014	Note	Unrestricted fund												Restricted Fund		Total S\$	
		General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Children 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 Slok Loo fund S\$	Building fund S\$		Education trust fund S\$
Cost of generating funds																	
		1,740	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,740
		90,841	0	0	0	1,198	79	0	462	0	0	0	3,890	50,069	0	0	146,539
		26,698	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26,698
		155,492	0	0	0	0	0	0	0	0	0	0	0	0	0	0	155,492
		201,150	0	0	0	0	0	0	0	0	0	0	0	0	0	0	201,150
		8,442	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,442
		484,363	0	0	0	1,198	79	0	462	0	0	0	3,890	50,069	0	0	540,061
Cost of charitable activities																	
		900,142	0	0	0	0	0	0	0	0	0	0	0	0	0	0	900,142
		21,164	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,164
	7	735,415	0	0	0	0	0	0	0	0	0	0	0	0	0	0	735,415
Direct activity expenses																	
		70,872	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70,872
		39,086	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,086
		255,967	0	0	0	0	0	0	0	0	0	0	0	0	0	0	255,967
		31,869	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31,869
		2,230	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,230
		17,412	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,412
		146,906	0	0	0	0	0	0	0	0	0	0	0	0	0	0	146,906
		8,771	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,771
		42,915	0	0	0	0	0	0	0	0	0	0	0	0	0	0	42,915
		6,832	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,832
Rental																	
		1,405,838	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,405,838
		39,388	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,388
	12	5,636,050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,636,050
Upkeep, repairs and maintenance																	
		26,622	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26,622
		223,244	0	0	49,652	0	0	0	0	0	0	0	0	0	0	0	272,896
		91,515	0	0	0	0	0	0	0	0	0	0	0	0	0	0	91,515
		431,022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	431,022
		10,133,260	0	0	49,652	0	0	0	0	0	0	0	0	0	0	0	10,182,912

11. Expenditure (Cont'd)

2014 (Cont'd)	Note	Unrestricted fund												Restricted Fund		Total S\$	
		General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni welfare fund S\$	Children 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\$
Cost of charitable activities (Cont'd)																	
Balance brought forward		10,133,260	0	0	49,652	0	0	0	0	0	0	0	0	0	0	0	10,182,912
Others																	
- General expenses		57,197	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57,197
- License and subscription		7,648	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,648
- Meeting expenses		12,361	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,361
- Printing, stationery and postage		49,102	0	0	0	0	0	0	0	0	0	0	0	0	0	0	49,102
- Telecommunication		64,251	0	0	0	0	0	0	0	0	0	0	0	0	0	0	64,251
		10,323,819	0	0	49,652	0	0	0	0	0	0	0	0	0	0	0	10,373,471
Governance and other administrative costs																	
Audit fees		44,480	0	0	0	0	0	0	0	0	0	0	0	0	0	0	44,480
Bank charges		6,714	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,714
Newspapers and periodicals		1,104	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,104
Other professional fees		52,685	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52,685
Provision for bad debts		1,835	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,835
Recruitment		8,881	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,881
Staff costs	12	1,023,395	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,023,395
		1,139,094	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,139,094

11. Expenditure (Cont'd)

	Note	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\$	
2013																	
Cost of generating funds																	
Designated expenses		227,491	0	0	0	48	0	0	0	0	0	35,755	8,789	0	5,248	277,331	
Donation expense		20,493	0	0	0	0	0	0	0	0	0	0	0	0	0	20,493	
Event and activity expense		121,049	0	0	0	0	0	0	0	0	0	0	0	0	0	121,049	
Fund-raising expenditure		256,837	0	0	0	0	0	0	0	0	0	0	0	0	0	256,837	
Investment expense		1,013	0	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>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	0	415,678	
Cost of sales		19,324	0	0	0	0	0	0	0	0	0	0	0	0	0	19,324	
Depreciation	7	753,451	0	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	0	63,392	
- Medical and physical aids		27,388	0	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	0	230,337	
- Other expense		10,945	0	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	0	5,249	
- Training and teaching materials		10,308	0	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	0	139,837	
- Uniform		3,990	0	0	0	0	0	0	0	0	0	0	0	0	0	3,990	
Fixed assets expensed		38,436	0	0	0	0	0	0	0	0	0	0	0	0	0	38,436	
Public education		3,672	0	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	0	1,295,115	
- Equipment		33,928	0	0	0	0	0	0	0	0	0	0	0	0	0	33,928	
Staff costs	12	5,234,532	0	0	0	0	0	0	0	0	0	0	0	0	0	5,234,532	
Upkeep, repairs and maintenance																	
- Equipment		21,413	0	0	0	0	0	0	0	0	0	0	0	0	0	21,413	
- General		174,435	0	0	0	0	0	0	0	0	0	0	0	0	0	174,435	
- Motor vehicles		98,415	0	0	0	0	0	0	0	0	0	0	0	0	0	98,415	
Utilities		479,733	0	0	0	0	0	0	0	0	0	0	0	0	0	479,733	
Balance carried forward		<u>9,059,578</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>9,059,578</u>	

11. Expenditure (Cont'd)

2013 (Cont'd)	Note	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\$	
Cost of charitable activities (Cont'd)																	
Balance brought forward		9,059,578	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,059,578
Others																	
- General expenses		22,434	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22,434
- License and subscription		6,630	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,630
- Meeting expenses		7,137	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,137
- Printing, stationery and postage		46,802	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46,802
- Telecommunication		63,950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63,950
		<u>9,206,531</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>9,206,531</u>
Governance and other administrative costs																	
Audit fees		18,600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,600
Bank charges		7,282	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,282
Loss on disposal of fixed assets		2,376	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,376
Newspapers and periodicals		1,208	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,208
Other professional fees		50,196	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,196
Recruitment		9,449	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,449
Staff costs	12	723,621	0	0	0	0	0	0	0	0	0	0	0	0	0	0	723,621
		<u>812,732</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>812,732</u>

12. Staff costs

	Note	2014 S\$	2013 S\$
CPF/SDL and FWL contributions		822,180	739,500
Salaries and bonuses		5,564,845	4,989,465
Staff benefits		201,967	153,724
Staff welfare		70,453	75,464
		<u>6,659,445</u>	<u>5,958,153</u>

The staff costs were allocated as follows:

Costs of charitable activities	11	5,636,050	5,234,532
Governance and administrative costs	11	1,023,395	723,621
		<u>6,659,445</u>	<u>5,958,153</u>

13. Operating lease commitments

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

		2014 S\$	2013 S\$
Rental of building			
Not later than one year		1,377,706	1,368,384
More than a year but not more than five years		2,726,289	0
		<u>4,103,995</u>	<u>1,368,384</u>
Rental of equipment			
Not later than one year		35,336	36,619
More than a year but not more than five years		85,111	125,273
		<u>120,447</u>	<u>161,892</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.

14. Income tax expense

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

15. Related party transactions

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

	Note	2014 S\$	2013 S\$
Expenses paid by Association on behalf of the related party		8,755	93,561
Expenses paid on behalf of the Association		16,630	1,685
Income received by Association on behalf of the related party		17,627	470,066
Management fee income	10	0	43,200
Purchase of goods and services		4,697	72,981
Sale of goods and services		4,227	582
Transfer of fixed assets		<u>11,466</u>	<u>0</u>

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

During the financial year, one (2013: two) of the Executive Management Committee members received honorariums for services rendered during Buddhist culture activities totalling to S\$4,000 (2013: S\$21,440). Other members did not receive any remuneration during the financial year.

16. Key management personnel compensation

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

	2014 No. of key management personnel	2013 No. of key management personnel
Remuneration band		
Between S\$100,001 to \$150,000	4	3
Between S\$50,001 to \$100,000	<u>3</u>	<u>4</u>

17. 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 organizations 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.

18. Reserve policy and position

The Association's reserve position at the reporting is as follows:

		2014	2013	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	18,726	18,186	2.97
	Investment fund	1,738	1,611	7.88
	Project account reserve	1,517	1,188	27.69
	Sinking fund	273	279	(2.15)
	Total	22,254	21,264	4.66
B	Restricted or Designated Funds			
	Designated Funds	442	466	(5.15)
	Restricted Funds	348	677	(48.60)
C	Endowment Funds	0	0	0
D	Total Funds	23,044	22,407	2.84
E	Total Annual Operating Expenditure	12,053	10,696	12.69
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.85	1.99	(7.04)

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.

19. Comparative figures

Certain comparative figures have been reclassified on the face of the statement of financial activities to comply with the reporting requirements prescribed by the CAS, as shown below:

2013	As previously reported S\$	Reclassification S\$	As restated S\$
Statement of financial activities			
Expenditure			
Costs of charitable activities			
- Cost of sales	0	19,324	19,324
- Fixed assets expensed	0	38,436	38,436
- Staff costs	5,958,153	(723,621)	5,234,532
- Upkeep, repairs and maintenance	266,500	27,763	294,263
Governance and other administrative costs			
- Cost of sales	19,324	(19,324)	0
- Fixed assets expensed	38,436	(38,436)	0
- Fixed assets insurance	27,763	(27,763)	0
- Staff costs	0	723,621	723,621
	<u>6,310,176</u>	<u>0</u>	<u>6,310,176</u>

20. Authorization of financial statements

These financial statements were authorized for issue in accordance with a resolution of the Executive Management Committee on **01 SEP 2014**