

METTA SCHOOL

[Registry No. 1431]

[Registered with Ministry of Education]

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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Fiducia LLP

Public Accountants and
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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- a) the financial statements as set out on pages 5 to 31 are drawn up so as to give a true and fair view of the state of affairs of the School at 31 March 2014, and of the results of financial activities and cash flows of the School for the year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the School will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorized the issue of these financial statements on **28 JUL 2014**

Lai Meng Wah @ Shi Fa Zhao	Chairman
Ong Tai Yong @ Shi Pu En	School supervisor
So Kah Lay	Secretary
Tan Ming Yong	Treasurer
Ee Tiang Hwee	Member
Lau Swee Eng	Member
Lim Yew Si	Member
Tan Yen Kee	Member
Poh Yong Meng, Stephen	Member
Yong Soo Cheng	Member
Teo Siew Khim	Ministry of Education representative

For and on behalf of the Management Committee,



So Kah Lay
Secretary / Principal



Tan Ming Yong
Honorary Treasurer

Singapore,

28 JUL 2014

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Independent auditors' report to the members of:

METTA SCHOOL
[Registration No. 1431]

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REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of Metta School (the "School") set out on pages 5 to 31, which comprise the statement of financial position as at 31 March 2014, the statement of financial activities, statement of cash flows, statement of monthly pupil enrolment eligible for funding and statement of monthly enrolment for international students for the 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 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 as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 that 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 SCHOOL
[Registration No. 1431]

[Registered with Ministry of Education]

Opinion

In our opinion, the financial statements of the School are properly drawn up in accordance with the provisions of the Charities Accounting Standard so as to give a true and fair view of the state of affairs of the School as at 31 March 2014, and the results and cash flows of the School for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

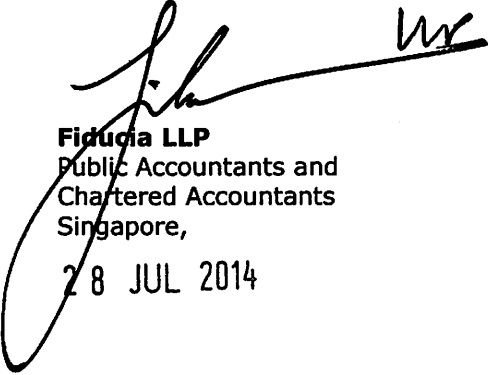
In our opinion, the accounting and other records properly kept in accordance to the Rules and Regulations issued by the Ministry of Education and National Council of Social Services, as well of any agreement with the Ministry of Education and National Council of Social Services.

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

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

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore,

28 JUL 2014

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	13,330,361	12,209,389
Other receivables	5	92,744	80,079
Inventories		<u>0</u>	<u>10</u>
		13,423,105	12,289,478
Non-current assets			
Property, plant and equipment	6	13,916,991	14,345,630
Total assets		<u>27,340,096</u>	<u>26,635,108</u>
LIABILITIES			
Current liabilities			
Accruals and other payables	7	<u>449,894</u>	<u>378,153</u>
Total liabilities		<u>449,894</u>	<u>378,153</u>
NET ASSETS		<u>26,890,202</u>	<u>26,256,955</u>
FUNDS			
Unrestricted funds			
Accumulated general fund		<u>20,996,610</u>	<u>20,873,936</u>
Restricted funds			
Additional training vote fund	9	13,233	0
Curriculum enhancement fund	9	46,841	475
Discretionary financial assistance fund	9	(3,820)	18,775
Financial assistance fund	9	15	15
High needs fund	9	4,335	6,940
Opportunity fund	9	20,356	5,600
Parent support group fund	9	0	2,500
Project fund	9	1,688,105	1,498,997
School building fund - Extension	9	(68,025)	(68,014)
Sinking fund	9	2,522,984	2,321,835
Staff training vote fund	9	32,676	114,801
Student assistance fund	9	<u>1,636,892</u>	<u>1,481,095</u>
		<u>5,893,592</u>	<u>5,383,019</u>
TOTAL FUNDS		<u>26,890,202</u>	<u>26,256,955</u>

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

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

	Unrestricted funds			Restricted funds									Total S\$	
	Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
2014														
INCOME														
Income from generated funds														
Voluntary income														
- Donations - Designated	88,882	0	0	0	0	0	0	0	0	0	0	0	0	88,882
- Donations - Unsolicited	16,241	0	0	0	0	0	0	0	0	0	0	0	0	16,241
Investment income														
- Interest - Fixed deposit	62,353	0	0	0	0	0	0	0	0	0	0	0	0	62,353
- Interest received	125	0	0	0	0	0	0	0	0	0	0	0	0	125
Income from charitable activities														
Fees received														
- Foreign students	27,165	0	0	0	0	0	0	0	0	0	0	0	0	27,165
- Local students	98,000	0	0	0	0	0	0	0	0	0	0	0	0	98,000
Ministry of Education														
- Contract teaching resources	35,722	0	0	0	0	0	0	0	0	0	0	0	0	35,722
- Grants	5,566,108	23,600	80,729	6,225	0	29,740	42,925	0	0	0	0	34,029	0	5,783,356
- Provision of administrative manager	83,102	0	0	0	0	0	0	0	0	0	0	0	0	83,102
- Proto-typing vocational preparation	209,677	0	0	0	0	0	0	0	0	0	0	0	0	209,677
- School breakfast programme	6,509	0	0	0	0	0	0	0	0	0	0	0	0	6,509
- Secondment fund	118,944	0	0	0	0	0	0	0	0	0	0	0	0	118,944
- SPED Financial Assistance Scheme	41,338	0	0	0	0	0	0	0	0	0	0	0	0	41,338
NCSS grant	771,721	0	0	0	0	0	0	0	0	0	0	0	0	771,721
Singapore Totalisator Board grant	1,311,936	0	0	0	0	0	0	0	0	0	0	0	0	1,311,936

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

	Unrestricted funds			Restricted funds									Total S\$	
	Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
2014 (Cont'd)														
INCOME (CONT'D)														
Other income														
Gain on disposal of fixed asset	999	0	0	0	0	0	0	0	0	0	0	0	0	999
Government grant - Special employment credit	16,450	0	0	0	0	0	0	0	0	0	0	0	0	16,450
Others	37	0	0	0	0	0	0	0	0	0	0	0	0	37
Total income	8,455,309	23,600	80,729	6,225	0	29,740	42,925	0	0	0	0	34,029	0	8,672,557
EXPENDITURE														
Cost of generating funds														
Designated expenditure	76,482	0	0	0	0	0	0	0	0	0	0	0	0	76,482
Cost of charitable activities														
CCA and PVA activities	62,688	0	0	0	0	0	0	0	0	0	0	0	0	62,688
Classroom decoration materials	7,257	0	0	0	0	0	0	0	0	0	0	0	0	7,257
Home economics materials	13,093	0	0	0	0	0	0	0	0	0	0	0	0	13,093
Home visits	1,059	0	0	0	0	0	0	0	0	0	0	0	0	1,059
Instructor assessment and exam fees	41,583	0	0	0	0	0	0	0	0	0	0	0	0	41,583
PE equipment	3,239	0	0	0	0	0	0	0	0	0	0	0	0	3,239
Proto-typing of vocational Preparation	128,191	0	0	0	0	0	0	0	0	0	0	0	0	128,191
Pupil welfare	222,642	0	0	28,820	0	0	0	0	0	0	0	0	45,352	296,814
School breakfast programme	6,509	0	0	0	0	0	0	0	0	0	0	0	0	6,509
School events and activities	89,669	0	0	0	0	0	28,169	2,500	12,041	0	0	0	0	132,379

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

	Note	Unrestricted funds			Restricted funds									Total S\$	
		Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
EXPENDITURE (CONT'D)															
Cost of charitable activities (Cont'd)															
SPED Financial Assistance Scheme		41,338	0	0	0	0	0	0	0	0	0	0	0	0	41,338
Staffing costs	11														
- School		4,845,168	10,367	6,918	0	0	32,345	0	0	0	0	0	116,154	0	5,010,952
- MOE seconded teacher		173,805	0	0	0	0	0	0	0	0	0	0	0	0	173,805
Teaching materials		13,637	0	27,445	0	0	0	0	0	0	0	0	0	0	41,082
Vocational programme training materials		93,964	0	0	0	0	0	0	0	0	0	0	0	0	93,964
Others		16,287	0	0	0	0	0	0	0	0	0	0	0	0	16,287
Governance and other administrative costs															
Bank charges		1,133	0	0	0	0	0	0	0	0	0	0	0	0	1,133
Cleaning services		68,655	0	0	0	0	0	0	0	0	0	0	0	0	68,655
Fixed assets															
- Depreciation	6	625,204	0	0	0	0	0	0	0	0	0	0	0	0	625,204
- Disposal		380	0	0	0	0	0	0	0	0	0	0	0	0	380
Housekeeping and utensils		12,865	0	0	0	0	0	0	0	0	0	0	0	0	12,865
Insurance		2,648	0	0	0	0	0	0	0	0	0	0	0	0	2,648
Licence fees		3,933	0	0	0	0	0	0	0	0	0	0	0	0	3,933
Maintenances and services		112,371	0	0	0	0	0	0	0	0	0	0	0	0	112,371
Other events		636	0	0	0	0	0	0	0	0	0	0	0	0	636
Postage		1,157	0	0	0	0	0	0	0	0	0	0	0	0	1,157
Printing and stationery		28,434	0	0	0	0	0	0	0	0	0	0	0	0	28,434
Professional fees		6,807	0	0	0	0	0	0	0	0	0	0	0	0	6,807
Purchase of goods and services		30,338	0	0	0	0	0	0	0	0	11	0	0	0	30,349

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

2014 (Cont'd)	Note	Unrestricted funds		Restricted funds										Total S\$	
		Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
EXPENDITURE (CONT'D)															
Governance and other administrative costs (Cont'd)															
Recruitment services		1,964	0	0	0	0	0	0	0	0	0	0	0	0	1,964
Rental of equipment		11,300	0	0	0	0	0	0	0	0	0	0	0	0	11,300
Security services		45,280	0	0	0	0	0	0	0	0	0	0	0	0	45,280
Staffing costs	11	669,966	0	0	0	0	0	0	0	0	0	0	0	0	669,966
Utilities and telecommunication		191,030	0	0	0	0	0	0	0	0	0	0	0	0	191,030
Total expenditure		7,650,712	10,367	34,363	28,820	0	32,345	28,169	2,500	12,041	11	0	116,154	45,352	7,960,834
NET INCOME / (EXPENDITURE)		804,597	13,233	46,366	(22,595)	0	(2,605)	14,756	(2,500)	(12,041)	(11)	0	(82,125)	(45,352)	711,723
ADJUSTMENT ON OVER / (UNDER) GRANT FUNDING	8	(78,476)	0	0	0	0	0	0	0	0	0	0	0	0	(78,476)
GROSS TRANSFERS BETWEEN FUNDS															
Appropriation of net income		(603,447)	0	0	0	0	0	0	0	201,149	0	201,149	0	201,149	0
NET MOVEMENT IN FUNDS		122,674	13,233	46,366	(22,595)	0	(2,605)	14,756	(2,500)	189,108	(11)	201,149	(82,125)	155,797	633,247
TOTAL FUNDS BROUGHT FORWARD		20,873,936	0	475	18,775	15	6,940	5,600	2,500	1,498,997	(68,014)	2,321,835	114,801	1,481,095	26,256,955
TOTAL FUNDS CARRIED FORWARD		20,996,610	13,233	46,841	(3,820)	15	4,335	20,356	0	1,688,105	(68,025)	2,522,984	32,676	1,636,892	26,890,202

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

	Unrestricted funds			Restricted funds									Total S\$	
	Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
2013														
INCOME														
Income from generated funds														
Voluntary income														
- Donations - Community Chest	35,000	0	0	0	0	0	0	0	0	0	0	0	0	35,000
- Donations - Designated	178,586	0	0	0	0	0	0	0	0	0	0	0	0	178,586
- Donations - Unsolicited	653	0	0	0	0	0	0	0	0	0	0	0	0	653
Investment income														
- Interest - Fixed deposit	63,808	0	0	0	0	0	0	0	0	0	0	0	0	63,808
- Interest received	124	0	0	0	0	0	0	0	0	0	0	0	0	124
Income from charitable activities														
Fees received - Foreign students	7,227	0	0	0	0	0	0	0	0	0	0	0	0	7,227
Fees received - Local students	101,400	0	0	0	0	0	0	0	0	0	0	0	0	101,400
Ministry of Education														
- Grants	5,806,047	0	59,191	25,000	0	58,035	7,228	2,500	0	2,395,974	0	0	0	8,353,975
- Provision of administrative manager	80,511	0	0	0	0	0	0	0	0	0	0	0	0	80,511
- Proto-typing vocational preparation	185,557	0	0	0	0	0	0	0	0	0	0	0	0	185,557
- Secondment fund	60,736	0	0	0	0	0	0	0	0	0	0	0	0	60,736
NCSS grant	1,336,701	0	0	0	0	0	0	0	0	0	0	0	0	1,336,701
Singapore Totalisator Board grant	400,859	0	0	0	0	0	0	0	0	0	0	0	0	400,859
Other income														
Government grant - Special employment credit	30,810	0	0	0	0	0	0	0	0	0	0	0	0	30,810
Total income	8,288,019	0	59,191	25,000	0	58,035	7,228	2,500	0	2,395,974	0	0	0	10,835,947

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

2013 (Cont'd)	Note	Unrestricted funds		Restricted funds										Total S\$	
		Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
EXPENDITURE															
Cost of generating funds															
Designated expenditure		159,362	0	0	0	0	0	0	0	0	0	0	0	0	159,362
Cost of charitable activities															
CCA and PVA activities		47,617	0	0	0	0	0	0	0	0	0	0	0	0	47,617
Classroom decoration materials		12,104	0	0	0	0	0	0	0	0	0	0	0	0	12,104
Home economics materials		33,762	0	0	0	0	0	0	0	0	0	0	0	0	33,762
Home visits		906	0	0	0	0	0	0	0	0	0	0	0	0	906
PE equipment		1,580	0	0	0	0	0	0	0	0	0	0	0	0	1,580
Professional fees and other services		0	0	59,635	0	0	0	7,140	0	0	0	0	0	0	66,775
Proto-typing of vocational preparation		112,504	0	0	0	0	0	0	0	0	0	0	0	0	112,504
Pupil welfare		214,275	0	0	6,225	24,985	0	0	0	0	0	0	0	44,922	290,407
School events and activities		88,103	0	0	0	0	0	4,611	0	0	0	0	0	0	92,714
Staffing costs	11														
- School		4,397,335	0	0	0	0	49,866	0	0	0	0	0	44,972	0	4,492,173
- MOE seconded teacher		171,555	0	0	0	0	0	0	0	0	0	0	0	0	171,555
Teaching materials		18,073	0	0	0	0	0	0	0	0	0	0	0	0	18,073
Vocational programme training materials		102,067	0	0	0	0	0	0	0	0	0	0	0	0	102,067
Others		4,754	0	0	0	0	0	0	0	0	0	0	0	0	4,754

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

	Note	Unrestricted funds		Restricted funds										Total S\$	
		Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
EXPENDITURE (CONT'D)															
Governance and other administrative costs															
Bank charges		1,154	0	0	0	0	0	0	0	0	0	0	0	0	1,154
Cleaning services		9,250	0	0	0	0	0	0	0	0	0	0	0	0	9,250
Fixed assets															
- Depreciation	6	459,772	0	0	0	0	0	0	0	0	0	0	0	0	459,772
- Disposal		11	0	0	0	0	0	0	0	0	0	0	0	0	11
Housekeeping and utensils		9,511	0	0	0	0	0	0	0	0	0	0	0	0	9,511
Insurance		1,524	0	0	0	0	0	0	0	0	0	0	0	0	1,524
Licence fees		145	0	0	0	0	0	0	0	0	0	0	0	0	145
Maintenances and services		112,562	0	0	0	0	0	0	0	0	0	0	0	0	112,562
Management fees		43,200	0	0	0	0	0	0	0	0	0	0	0	0	43,200
Postage		856	0	0	0	0	0	0	0	0	0	0	0	0	856
Printing and stationery		40,185	0	0	0	0	0	0	0	0	0	0	0	0	40,185
Professional fees		18,440	0	0	0	0	0	0	0	0	0	0	0	0	18,440
Purchase of goods and services		14,815	0	0	0	0	0	0	0	12,159	0	0	0	0	26,974
Recruitment services		2,832	0	0	0	0	0	0	0	0	0	0	0	0	2,832
Rental of equipment		8,706	0	0	0	0	0	0	0	0	0	0	0	0	8,706
Security services		12,971	0	0	0	0	0	0	0	0	0	0	0	0	12,971
Staffing costs	11	487,692	0	0	0	0	0	0	0	0	0	0	0	0	487,692
Utilities and telecommunication		174,756	0	0	0	0	0	0	0	0	0	0	0	0	174,756
Total expenditure		6,762,379	0	59,635	6,225	24,985	49,866	11,751	0	12,159	0	0	44,972	44,922	7,016,894

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

2013 (Cont'd)	Note	Unrestricted funds			Restricted funds									Total S\$	
		Accumulated general fund S\$	Additional training vote fund S\$	Curriculum enhancement fund S\$	Discretionary financial assistance fund S\$	Financial assistance fund S\$	High needs fund S\$	Opportunity fund S\$	Parent support group fund S\$	Project fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$		Student assistance fund S\$
NET INCOME / (EXPENDITURE)		1,525,640	0	(444)	18,775	(24,985)	8,169	(4,523)	2,500	(12,159)	2,395,974	0	(44,972)	(44,922)	3,819,053
ADJUSTMENT ON OVER / (UNDER) GRANT FUNDING	8	(2,744)	0	0	0	0	0	0	0	0	0	0	0	0	(2,744)
GROSS TRANSFERS BETWEEN FUNDS															
Appropriation of net income		(1,144,230)	0	0	0	0	0	0	0	381,410	0	381,410	0	381,410	0
Transfer to / (from) of funds		3,007,522	0							(301,987)	(2,705,535)	0	0	0	0
NET MOVEMENT IN FUNDS		3,386,188	0	(444)	18,775	(24,985)	8,169	(4,523)	2,500	67,264	(309,561)	381,410	(44,972)	336,488	3,816,309
TOTAL FUNDS BROUGHT FORWARD		17,487,748	0	919	0	25,000	(1,229)	10,123	0	1,431,733	241,547	1,940,425	159,773	1,144,607	22,440,646
TOTAL FUNDS CARRIED FORWARD		20,873,936	0	475	18,775	15	6,940	5,600	2,500	1,498,997	(68,014)	2,321,835	114,801	1,481,095	26,256,955

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 for the year		711,723	3,819,053
Adjustments for:			
- Depreciation	6	625,204	459,771
- Disposal of fixed asset		380	11
- Adjustment to prior year grant funding	8	(78,476)	(2,744)
- Gain on disposal of fixed asset		(999)	0
- Interest income		<u>(62,478)</u>	<u>(63,932)</u>
Operating cash flows before working capital changes		1,195,354	4,212,159
Changes in operating assets and liabilities			
- Inventories		10	69
- Trade and other receivables		(12,665)	112,172
- Trade and other payables		<u>71,741</u>	<u>(46,874)</u>
Net cash generated from operating activities		<u>1,254,440</u>	<u>4,277,526</u>
Cash flows from investing activities			
Purchases of fixed assets	6	(196,589)	(3,251,784)
Proceeds from disposal of fixed assets		643	0
Interest received		<u>62,478</u>	<u>63,932</u>
Net cash used in investing activities		<u>(133,468)</u>	<u>(3,187,852)</u>
Net increase in cash and cash equivalents		1,120,972	1,089,674
Cash and cash equivalents at beginning of financial year		<u>12,209,389</u>	<u>11,119,715</u>
Cash and cash equivalents at end of financial year	4	<u>13,330,361</u>	<u>12,209,389</u>
Cash and cash equivalents comprise:			
Cash and bank balances		4,511,652	3,458,713
Fixed deposits		<u>8,818,709</u>	<u>8,750,676</u>
	4	<u>13,330,361</u>	<u>12,209,389</u>

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

**STATEMENT OF MONTHLY PUPIL ENROLMENT ELIGIBLE FOR FUNDING
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

Average for the period	Number of pupils by disability group *				Number of students under vocational tracks		Total number of pupils (c=a+b)
	MID(J)+MID(S)+ASD	MID(J)	MID(S)	ASD	VOC	VOC-ASD	
Apr - Jun 2013	311	177	27	107	98	11	420
Jul - Sep 2013	312	179	26	107	96	10	418
Oct - Dec 2013	312	179	26	107	95	10	417
Jan - Mar 2014	247	140	16	91	131	13	391

* Separate columns to be provided for each disability, which are:

MID(J) - Mild intellectual disability - Junior students

MID(S) - Mild intellectual disability - Senior students

ASD - Autism Spectrum Disorder

VOC - Vocational students

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

**STATEMENT OF MONTHLY PUPIL ENROLMENT FOR INTERNATIONAL STUDENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

Average for the period	Number of international pupils * (a)	Number of international pupils ** (b)	Total number of pupils (c=a+b)
Apr - Jun 2013	1	0	1
Jul - Sep 2013	0	0	0
Oct - Dec 2013	0	0	0
Jan - Mar 2014	2	0	2

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

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

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

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 School (the "School") is registered with the Ministry of Education (MOE) under the Education Act (Chapter 87) on 16 November 2001. The registered office and principal place of business of the School is located at 30, Simei Street 1, Singapore 529949.

It is one of the welfare centres being provided by Metta Welfare Association, which is a registered exempt charity in Singapore.

The objective of the School is to provide special education to mildly intellectually disabled and/or mildly autistic children between ages seven (7) and eighteen (18) who are functioning between IQ range of fifty (50) and seventy (70). Students who can benefit from vocational programmes can continue to school up to twenty one (21) years old.

As at 31 March 2014, the School has 120 (2013: 113) employees.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS"). 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 School'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 School's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the School's activities. Revenue is recognized as follows:

2.2.1 School fees are recognized over the period of instruction. Amounts of fees relating to future periods of instruction are included in fees received in advance.

2. Significant accounting policies

2.2 Revenue recognition (Cont'd)

2.2.2 Government grants are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the School will comply with all the attached conditions. Government grants receivable are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. Government grants relating to expenditures are shown separately as other income.

2.2.3 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 School 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.

2.2.4 Interest income is recognized on a time-proportion basis using the effective interest method.

2.2.5 Other income is recognized when received.

2.3 Property, plant and equipment

2.3.1 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.

2.3.2 Depreciation

Depreciation on property, plant and equipment 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
Arts and music	5 years
Computers	3 years
Furniture and fittings	5 years
Office equipment	5 years
Other equipment	3 years
Physio and occupational equipment	5 years
Renovations	2 years
School building	50 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. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment (Cont'd)

2.3.3 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 School 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.

2.3.4 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.

2.4 Financial assets

2.4.1 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.

Trade and other receivables are subsequently measured at cost less accumulated impairment losses.

2.4.2 Derecognition

Trade and other receivables are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the School has transferred substantially all risks and rewards of ownership.

2.4.3 Impairment

The School 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 trade and other receivables is recognized when there is objective evidence that the School 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 School expects to receive. The amount of the allowance for impairment is recognized in the statement of financial activities within "Governance and administrative costs".

2. Significant accounting policies (Cont'd)

2.3 Financial assets (Cont'd)

2.4.3 Impairment (cont'd)

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 School 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.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and, short-term and highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

2.5 Financial liabilities

Financial liabilities are recognized when the School 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 accruals and other payables.

Financial liabilities is derecognized when the obligations under the liability is discharged or cancelled or expires. 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.

2.6 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.

2.7 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized when the School 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.

2.8 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 Management Committee. Externally restricted funds may only be utilized in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the School's purposes.

2. Significant accounting policies (Cont'd)

2.9 Employee compensation

2.9.1 Defined contribution plans

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

2.9.2 Employee compensation

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

2.10 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.

2.11 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.

2.12 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 judgements

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 School 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 School 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	1,000	1,000
Cash at bank	4,510,652	3,457,713
Fixed deposits	8,818,709	8,750,676
	13,330,361	12,209,389

Fixed deposits have maturity terms from 6 months to 12 months (2013: 6 months to 12 months) and have interest rates ranging from 0.55% to 0.84% (2013: 0.47% to 0.85%) per annum.

5. Other receivables

	2014 S\$	2013 S\$
Fees receivables	19,385	0
Grant receivables	30,797	48,470
Accrued interests	23,525	29,205
Amount due from related party	8,200	0
Prepayments	3,339	797
Other receivables	7,498	1,607
	92,744	80,079

Amount due from related party is unsecured, interest-free, and collectible on demand.

6. Property, plant and equipment

2014	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Transfer to / (from) S\$	Balance at end of financial year S\$
Cost					
Arts and music	92,764	4,635	0	0	97,399
Building in progress	6,971,211	16,201	0	(6,987,412)	0
Computers	379,955	47,466	(39,439)	0	387,982
Furniture and fittings	190,081	2,750	0	0	192,831
Office equipment	341,015	36,832	(3,742)	0	374,105
Other equipment	590,415	12,400	0	0	602,815
Physio and occupational equipment	660	0	0	0	660
Renovations	176,406	76,305	0	0	252,711
School building	8,126,991	0	0	6,987,412	15,114,403
	<u>16,869,498</u>	<u>196,589</u>	<u>(43,181)</u>	<u>0</u>	<u>17,022,906</u>
Accumulated depreciation					
Arts and music	91,552	1,895	0	0	93,447
Building in progress	0	0	0	0	0
Computers	275,296	70,206	(39,416)	0	306,086
Furniture and fittings	156,646	12,823	0	0	169,469
Office equipment	215,890	49,461	(3,741)	0	261,610
Other equipment	340,658	133,325	0	0	473,983
Physio and occupational equipment	659	0	0	0	659
Renovations	159,344	55,206	0	0	214,550
School building	1,283,823	302,288	0	0	1,586,111
	<u>2,523,868</u>	<u>625,204</u>	<u>(43,157)</u>	<u>0</u>	<u>3,105,915</u>
Net book value					
Arts and music	1,212				3,952
Building in progress	6,971,211				0
Computers	104,659				81,896
Furniture and fittings	33,435				23,362
Office equipment	125,125				112,495
Other equipment	249,757				128,832
Physio and occupational equipment	1				1
Renovations	17,062				38,161
School building	6,843,168				13,528,292
	<u>14,345,630</u>				<u>13,916,991</u>

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

2013	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Balance at end of financial year S\$
Cost				
Arts and music	92,764	0	0	92,764
Building in progress	4,401,515	2,569,696	0	6,971,211
Computers	237,513	150,255	(7,813)	379,955
Furniture and fittings	165,824	24,855	(598)	190,081
Office equipment	230,722	111,291	(998)	341,015
Other equipment	228,839	361,576	0	590,415
Physio and occupational equipment	660	0	0	660
Renovations	142,295	34,111	0	176,406
School building	8,126,991	0	0	8,126,991
	<u>13,627,123</u>	<u>3,251,784</u>	<u>(9,409)</u>	<u>16,869,498</u>
	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written back/ off) S\$	Balance at end of financial year S\$
Accumulated depreciation				
Arts and music	90,320	1,232	0	91,552
Building in progress	0	0	0	0
Computers	225,578	57,522	(7,804)	275,296
Furniture and fittings	143,784	13,459	(597)	156,646
Office equipment	174,155	42,732	(997)	215,890
Other equipment	208,205	132,453	0	340,658
Physio and occupational equipment	659	0	0	659
Renovations	109,511	49,833	0	159,344
School building	1,121,283	162,540	0	1,283,823
	<u>2,073,495</u>	<u>459,771</u>	<u>(9,398)</u>	<u>2,523,868</u>
	Balance at beginning of financial year S\$			Balance at end of financial year S\$
Net book value				
Arts and music	2,444			1,212
Building in progress	4,401,515			6,971,211
Computers	11,935			104,659
Furniture and fittings	22,040			33,435
Office equipment	56,567			125,125
Other equipment	20,634			249,757
Physio and occupational equipment	1			1
Renovations	32,784			17,062
School building	7,005,708			6,843,168
	<u>11,553,628</u>			<u>14,345,630</u>

7. Accruals and other payables

	2014 S\$	2013 S\$
Accrued operating expenses		
– Outside parties	390,384	246,829
– Related parties	<u>0</u>	<u>428</u>
	390,384	247,257
Deferred grants received	57,101	114,518
Other payables	<u>2,409</u>	<u>16,378</u>
	<u><u>449,894</u></u>	<u><u>378,153</u></u>

Amounts due to related parties are unsecured, interest-free and payable on demand.

8. Accumulated general fund

Adjustments on grant funding charged to accumulated general fund are comprised of:

	2014 S\$	2013 S\$
NCSS grant (over) / under funding FY 2012 / 2013	(19,508)	0
NCSS grant (over) / under funding FY 2011 / 2012	0	14,117
TOTE Board (over) / under funding FY 2012 / 2013	(58,968)	0
TOTE Board (over) / under funding FY 2011 / 2012	<u>0</u>	<u>(16,861)</u>
	<u><u>(78,476)</u></u>	<u><u>(2,744)</u></u>

9. Restricted funds

9.1 Additional training vote fund

	2014 S\$	2013 S\$
Balance at the beginning of the year	0	0
Grants received during the year	<u>23,600</u>	<u>0</u>
	23,600	0
Expenditure during the year	<u>(10,367)</u>	<u>0</u>
Balance at the end of the year	<u><u>13,233</u></u>	<u><u>0</u></u>

During the financial year, MOE provided S\$400 for each registered teacher to receive appropriate trainings in order to improve the quality of his or her services.

9. Restricted funds (Cont'd)

9.2 Curriculum enhancement fund

	2014 S\$	2013 S\$
Balance at the beginning of the year	475	919
Grants received during the year	<u>79,525</u>	<u>59,191</u>
	80,000	60,110
Expenditure during the year	<u>(33,159)</u>	<u>(59,635)</u>
Balance at the end of the year	<u><u>46,841</u></u>	<u><u>475</u></u>

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

9.3 Discretionary financial assistance fund

	2014 S\$	2013 S\$
Balance at the beginning of the year	18,775	0
Grants received during the year	<u>6,225</u>	<u>25,000</u>
	25,000	25,000
Expenditures during the year	<u>(28,820)</u>	<u>(6,225)</u>
Balance at the end of the year	<u><u>(3,820)</u></u>	<u><u>18,775</u></u>

This pertains to the once-off top-up fund received from MOE during the year that is ring-fenced to discretionary financial assistance purposes to help students.

9.4 Financial assistance fund

	2014 S\$	2013 S\$
Balance at the beginning of the year	15	25,000
Grants received during the year	<u>0</u>	<u>0</u>
	15	25,000
Expenditures during the year	<u>0</u>	<u>(24,985)</u>
Balance at the end of the year	<u><u>15</u></u>	<u><u>15</u></u>

In financial year 2012, MOE released an additional top-up grant that would be ring-fenced to financially assist students.

9. Restricted funds (Cont'd)

9.5 High needs fund

	2014 S\$	2013 S\$
Balance at the beginning of the year	6,940	(1,229)
Grants received during the year	29,740	58,035
	36,680	56,806
Expenditures during the year	(32,345)	(49,866)
Balance at the end of the year	4,335	6,940

In financial year 2012, a new High Needs Grant has been set up by MOE for SPED Schools to provide additional resources to support students with high needs. The fund is used to employ additional full-time teaching aides for students with highly challenging behaviours.

9.6 Opportunity fund

The opportunity fund is an initiative by MOE since financial year 2006/2007 to support needy students.

9.7 Parent support group fund

	2014 S\$	2013 S\$
Balance at the beginning of the year	2,500	0
Grants received during the year	0	2,500
	2,500	2,500
Expenditures during the year	(2,500)	0
Balance at the end of the year	0	2,500

This pertains to the one-off seed funding received from MOE/NCSS during the year to enhance its partnership efforts with parents and to try out new ideas to engage parents.

9.8 Project fund

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

9.9 School building fund - Extension

	2014 S\$	2013 S\$
Balance at the beginning of the year	(68,014)	241,547
Grants received during the year	0	2,395,974
	(68,014)	2,637,521
Transferred to accumulated general fund	(11)	(2,705,535)
Balance at the end of the year	(68,025)	(68,014)

The construction for the School's extension building has started in 2012 and was officially opened in 26 April 2013. MOE provided a grant-in-aid of 95%, NCSS on behalf of the TOTE Board Social Service Fund gave a capital grant equivalent to 2.5% and the School contributed the other remaining 2.5% of the total project cost thru its project fund.

9. Restricted funds (Cont'd)

9.10 Sinking fund

The sinking fund was set up for major repairs and maintenance of the School's building.

9.11 Staff training vote fund

	2014 S\$	2013 S\$
Balance at the beginning of the year	114,801	159,773
Grants received during the year	34,029	0
	148,830	159,773
Expenditures during the year	(116,154)	(44,972)
Balance at the end of the year	32,676	114,801

In financial year 2006, MOE solely funded this fund. A sum of S\$1,100 is allocated for each staff to receive appropriate trainings in order to improve the quality of their services.

9.12 Student assistance fund

The student assistance fund was set up to provide financial assistance to pupils in need.

10. Designated donation

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

	2014 S\$	2013 S\$
Baking, housekeeping and food preparation programme	54,599	91,606
Financial assistance to the needy	5,000	10,000
ICT costs	2,542	0
Occupational therapy equipment	0	3,865
School building extension and renovation	9,998	34,995
School activities, meals and groceries	16,743	38,120
	88,882	178,586

11. Staffing costs

	2014 S\$	2013 S\$
CPF contributions	704,964	615,671
Salaries and bonus	4,974,884	4,422,101
Staff welfare	104,823	103,780
	5,784,671	5,141,552

The staff costs were allocated as follows:

Costs of charitable activities		
– Proto-typing of vocational preparation	95,732	84,970
– School	4,845,168	4,397,335
– MOE seconded teacher	173,805	171,555
Governance and administrative costs		
	669,966	487,692
	5,784,671	5,141,552

12. Income tax

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

13. Commitments

13.1 Capital commitments

The estimated capital expenditures contracted for at the reporting date but not recognized in the financial statements were as follows:

	2014 S\$	2013 S\$
Property, plant and equipment		
– Building in progress	287,250	303,450

13.2 Operating lease commitments

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

	2014 S\$	2013 S\$
Not later than one year	10,440	10,440
Later than one year but not later than five years	27,502	37,942
	37,942	48,382

14. Related party transactions

The following related party transactions took place between the School and its related parties during the financial year on terms agreed by the parties concerned:

	2014 S\$	2013 S\$
School meals	0	139,999
Management fees	0	43,200
Income received on behalf of the school	8,200	0
Reimbursement of expenses paid:		
- By the School for related parties	0	1,685
- By the related parties for the School	3,464	6,837

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

The rental expense of the School is fully funded by MOE. The School has given consent that the funding will be remitted directly to Metta Welfare Association. Hence, such expenses and the corresponding grants are not recognized in the School's statement of financial activities and instead in Metta Welfare Association's accounts.

The rental expense and income recognized by Metta Welfare Association amounts to S\$797,004 (2013: S\$569,239).

15. Management of conflict of interest

Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the School may enter into or in any organizations that the School has dealings with or is considering dealing with; and any personal interest accruing to him as one of the School's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected 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.

16. Management of reserves

The School regards its accumulated general fund as its reserves.

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

17. Comparative figures

Certain comparative figures have been reclassified on the face of the statement of financial activities to conform to current year's presentation, as shown below:

2013	As previously reported S\$	Reclassification S\$	As restated S\$
Statement of financial activities			
Expenditure			
Costs of charitable activities	6,660,943	(1,213,952)	5,446,991
Governance and other administrative costs	<u>196,589</u>	<u>1,213,952</u>	<u>1,410,541</u>
	<u>6,857,532</u>	<u>0</u>	<u>6,857,532</u>

18. Authorization of financial statements

These financial statements were authorized for issue in accordance with a resolution of the Management Committee on 28 JUL 2014