



# METTA SCHOOL AUDITED FINANCIAL STATEMENTS

**For The Year Ended 31 March 2015**

Registration No. 1431  
Registered with Ministry of Education

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## STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- the financial statements as set out on pages 9.30 to 9.50 are drawn up so as to give a true and fair view of the state of affairs of the School at 31 March 2015, and of the results of financial activities and cash flows of the School for the year then ended; and
- 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, authorised the issue of these financial statements on 26 August 2015.

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  
Singapore,  
26 August 2015



Tan Ming Yong  
Honorary Treasurer

## REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of Metta School (the "School") set out on pages 9.30 to 9.50, which comprise the statement of financial position as at 31 March 2015, 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.

## REPORT ON THE FINANCIAL STATEMENT (CONT'D)

### 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.

### 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 2015, 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:

- the receipt, expenditure and investment income; and
- 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:

- 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,  
26 August 2015

Partner in charge: Ong Lien Wan  
PAB No: 01360

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 S\$	2014 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	13,345,212	13,330,361
Other receivables	5	<u>672,247</u>	<u>92,744</u>
		14,017,459	13,423,105
<b>Non-current assets</b>			
Property, plant and equipment	6	<u>14,122,923</u>	<u>13,916,991</u>
<b>Total assets</b>		<u>28,140,382</u>	<u>27,340,096</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals and other payables	7	<u>663,158</u>	<u>449,894</u>
<b>Total liabilities</b>		<u>663,158</u>	<u>449,894</u>
<b>NET ASSETS</b>		<u>27,477,224</u>	<u>26,890,202</u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
Accumulated general fund		<u>21,143,864</u>	<u>20,996,610</u>
<b>Restricted funds</b>			
Additional training vote fund	9	11,198	13,233
Curriculum enhancement fund	9	8,766	46,841
Discretionary financial assistance fund	9	0	(3,820)
Financial assistance fund	9	15	15
High needs fund	9	1,849	4,335
Opportunity fund	9	15,843	20,356
Parent support group fund	9	1,239	0
Project fund	9	1,749,284	1,688,105
S2W fund	9	616	0
School building fund – Extension	9	179,129	(68,025)
Sinking fund	9	2,616,669	2,522,984
Staff training vote fund	9	28,934	32,676
Student assistance fund	9	<u>1,719,818</u>	<u>1,636,892</u>
		<u>6,333,360</u>	<u>5,893,592</u>
<b>TOTAL FUNDS</b>		<u>27,477,224</u>	<u>26,890,202</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	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\$	S2W fund S\$	School building fund - Extension S\$	Sinking fund S\$	Staff training vote fund S\$	Student assistance fund S\$		
<b>2015 INCOME</b>																
<b>Income from generated funds</b>																
Voluntary income																
- Donations – Designated	25,656	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,656
Investment income																
- Interest – Fixed deposit	79,264	0	0	0	0	0	0	0	0	0	0	0	0	0	0	79,264
- Interest received	124	0	0	0	0	0	0	0	0	0	0	0	0	0	0	124
<b>Income from charitable activities</b>																
Fees received																
- Project Grant	240,890	0	0	0	0	0	0	0	0	0	0	0	0	0	0	240,890
- Foreign students	91,434	0	0	0	0	0	0	0	0	0	0	0	0	0	0	91,434
- Local students	91,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0	91,780
Ministry of Education																
- Grants	5,882,098	12,767	23,159	25,000	0	30,040	5,210	2,500	0	57,000	190,793	0	113,195	0	6,341,762	
- Provision of administrative Manager	84,349	0	0	0	0	0	0	0	0	0	0	0	0	0	84,349	
- Proto-typing vocational Preparation	81,401	0	0	0	0	0	0	0	0	0	0	0	0	0	81,401	
- School breakfast programme	6,828	0	0	0	0	0	0	0	0	0	0	0	0	0	6,828	
- Secondment fund	106,870	0	0	0	0	0	0	0	0	0	0	0	0	0	106,870	
- SPED Financial Assistance Scheme	37,719	0	0	0	0	0	0	0	0	0	0	0	0	0	37,719	
NCSS grant	2,175,570	0	0	0	0	0	0	0	0	0	70,875	0	0	0	2,246,445	
<b>Other income</b>																
Gain on disposal of fixed asset	5,252	0	0	0	0	0	0	0	0	0	0	0	0	0	5,252	
Government grant – Special employment credit	18,103	0	0	0	0	0	0	0	0	0	0	0	0	0	18,103	
Others	131,729	0	0	0	0	0	0	0	0	0	0	0	0	0	131,729	
<b>Total income</b>	<b>9,059,067</b>	<b>12,767</b>	<b>23,159</b>	<b>25,000</b>	<b>0</b>	<b>30,040</b>	<b>5,210</b>	<b>2,500</b>	<b>0</b>	<b>57,000</b>	<b>261,668</b>	<b>0</b>	<b>113,195</b>	<b>0</b>	<b>9,589,606</b>	

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONT'D)

2015(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\$	S2W 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)																
Programme camp and trips		346	0	0	0	0	0	172	0	0	0	0	0	0	0	518
Pupil welfare		228,114	0	0	21,180	0	0	0	0	0	0	0	0	0	39,939	289,233
School breakfast programme		6,828	0	0	0	0	0	0	0	0	0	0	0	0	0	6,828
School events and activities		106,559	0	0	0	0	0	3,667	1,261	0	0	0	0	0	0	111,487
SPED Financial Assistance Scheme		37,719	0	0	0	0	0	0	0	0	0	0	0	0	0	37,719
Staffing costs	11															
– School		5,073,672	9,282	49,011	0	0	32,526	0	0	0	53,665	0	0	116,937	0	5,335,093
– MOE seconded teacher		209,484	0	0	0	0	0	0	0	0	0	0	0	0	0	209,484
Teaching materials		32,504	0	12,223	0	0	0	0	0	0	0	0	0	0	0	44,727
Vocational programme training materials		32,740	0	0	0	0	0	0	0	0	0	0	0	0	0	32,740
Others		85,816	0	0	0	0	0	0	0	0	0	0	0	0	0	85,816
Governance and other administrative costs																
Bank charges		1,368	0	0	0	0	0	0	0	0	0	0	0	0	0	1,368
Cleaning services		61,948	0	0	0	0	0	0	0	0	0	0	0	0	0	61,948
Fixed assets																
– Depreciation	6	666,487	0	0	0	0	0	0	0	23,009	2,719	11,664	22,828	0	0	726,707
– Disposal		7	0	0	0	0	0	0	0	0	0	0	0	0	0	7
Housekeeping and utensils		19,586	0	0	0	0	0	0	0	0	0	0	0	0	0	19,586
Insurance		2,648	0	0	0	0	0	0	0	0	0	0	0	0	0	2,648
Licence fees		8,539	0	0	0	0	0	0	0	0	0	0	0	0	0	8,539
Maintenances and services		167,559	0	0	0	0	0	0	0	0	0	0	6,352	0	0	173,911
Other events		5,441	0	0	0	0	0	0	0	0	0	0	0	0	0	5,441
Other expenses		9,044	0	0	0	0	0	0	0	0	0	0	0	0	0	9,044
Postage		1,143	0	0	0	0	0	0	0	0	0	0	0	0	0	1,143
Printing and stationery		26,966	0	0	0	0	0	0	0	0	0	0	0	0	0	26,966
Professional fees		24,006	0	0	0	0	0	0	0	0	0	0	0	0	0	24,006
Purchase of goods and services		134,186	0	0	0	0	0	0	0	0	0	0	0	0	0	134,186
Recruitment services		488	0	0	0	0	0	0	0	0	0	0	0	0	0	488
Rental of equipment		11,171	0	0	0	0	0	0	0	0	0	0	0	0	0	11,171
Security services		67,001	0	0	0	0	0	0	0	0	0	0	0	0	0	67,001
Staffing costs	11	769,708	0	0	0	0	0	0	0	0	0	0	0	0	0	769,708
Utilities and telecommunication		215,136	0	0	0	0	0	0	0	0	0	0	0	0	0	215,136
Total expenditure		8,567,609	14,802	61,234	21,180	0	32,526	9,723	1,261	23,009	56,384	11,664	29,180	116,937	39,939	8,985,448
NET INCOME / (EXPENDITURE)		491,458	(2,035)	(38,075)	3,820	0	(2,486)	(4,513)	1,239	(23,009)	616	250,004	(29,180)	(3,742)	(39,939)	604,158
ADJUSTMENT ON OVER / (UNDER) GRANT FUNDING	8	(17,136)	0	0	0	0	0	0	0	0	0	0	0	0	0	(17,136)
GROSS TRANSFERS BETWEEN FUNDS																
Appropriation of net income		(368,595)	0	0	0	0	0	0	0	122,865	0	0	122,865	0	122,865	0
Transfer of funds		41,527	0	0	0	0	0	0	0	(38,677)	0	(2,850)	0	0	0	0
NET MOVEMENT IN FUNDS		147,254	(2,035)	(38,075)	3820	0	(2,486)	(4,513)	1,239	61,179	616	247,154	93,685	(3,742)	82,926	587,022
TOTAL FUNDS BROUGHT FORWARD		20,996,610	13,233	46,841	(3,820)	15	4,335	20,356	0	1,688,105	0	(68,025)	2,522,984	32,676	1,636,892	26,890,202
TOTAL FUNDS CARRIED FORWARD		21,143,864	11,198	8,766	0	15	1,849	15,843	1,239	1,749,284	616	179,129	2,616,669	28,934	1,719,818	27,477,224

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONT'D)

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\$		
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	
NCSSS 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	
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	

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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\$	
<b>2014 (Cont'd)</b>															
<b>EXPENDITURE (CONT'D)</b>															
<b>Cost of charitable activities (Cont'd)</b>															
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
<b>Governance and other administrative costs</b>															
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
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
<b>Total expenditure</b>		<u>7,650,712</u>	<u>10,367</u>	<u>34,363</u>	<u>28,820</u>	<u>0</u>	<u>32,345</u>	<u>28,169</u>	<u>2,500</u>	<u>12,041</u>	<u>11</u>	<u>0</u>	<u>116,154</u>	<u>45,352</u>	<u>7,960,834</u>
<b>NET INCOME / (EXPENDITURE)</b>		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
<b>ADJUSTMENT ON OVER / (UNDER) GRANT FUNDING</b>	8	(78,476)	0	0	0	0	0	0	0	0	0	0	0	0	(78,476)
<b>GROSS TRANSFERS BETWEEN FUNDS</b>															
Appropriation of net income		(603,447)	0	0	0	0	0	0	0	201,149	0	201,149	0	201,149	0
<b>NET MOVEMENT IN FUNDS</b>		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
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>20,873,936</u>	<u>0</u>	<u>475</u>	<u>18,775</u>	<u>15</u>	<u>6,940</u>	<u>5,600</u>	<u>2,500</u>	<u>1,498,997</u>	<u>(68,014)</u>	<u>2,321,835</u>	<u>114,801</u>	<u>1,481,095</u>	<u>26,256,955</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>20,996,610</u>	<u>13,233</u>	<u>46,841</u>	<u>(3,820)</u>	<u>15</u>	<u>4,335</u>	<u>20,356</u>	<u>0</u>	<u>1,688,105</u>	<u>(68,025)</u>	<u>2,522,984</u>	<u>32,676</u>	<u>1,636,892</u>	<u>26,890,202</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 S\$	2014 S\$
<b>Cash flows from operating activities</b>			
Net income for the year		604,158	711,723
Adjustments for:			
– Depreciation	6	726,707	625,204
– Disposal of fixed asset		7	380
– Adjustment to prior year grant funding	8	(17,136)	(78,476)
– Gain on disposal of fixed asset		(4,242)	(999)
– Interest income		(79,388)	(62,478)
Operating cash flows before working capital changes		<u>1,230,106</u>	<u>1,195,354</u>
Changes in operating assets and liabilities			
– Inventories		0	10
– Trade and other receivables		(579,503)	(12,665)
– Trade and other payables		<u>213,264</u>	<u>71,741</u>
<b>Net cash generated from operating activities</b>		<u>863,867</u>	<u>1,254,440</u>
<b>Cash flows from investing activities</b>			
Purchases of fixed assets	6	(935,289)	(196,589)
Proceeds from disposal of fixed assets		6,885	643
Interest received		<u>79,388</u>	<u>62,478</u>
<b>Net cash used in investing activities</b>		<u>(849,016)</u>	<u>(133,468)</u>
<b>Net increase in cash and cash equivalents</b>		14,851	1,120,972
Cash and cash equivalents at beginning of financial year		<u>13,330,361</u>	<u>12,209,389</u>
<b>Cash and cash equivalents at end of financial year</b>	4	<u><u>13,345,212</u></u>	<u><u>13,330,361</u></u>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances		4,466,242	4,511,652
Fixed deposits		<u>8,878,970</u>	<u>8,818,709</u>
	4	<u><u>13,345,212</u></u>	<u><u>13,330,361</u></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 2015**

	Number of pupils by disability group * (a)				Number of students under vocational tracks (b)		Total number of pupils (c=a+b)
Average for the period	MID(J)+MID(S)+ASD	MID(J)	MID(S)	ASD	VOC	VOC-ASD	
Apr – Jun 2014	248	142	16	90	130	12	390
Jul – Sep 2014	252	143	18	91	126	12	390
Oct - Dec 2014	253	51	111	91	124	12	389
Jan – Mar 2015	223	50	90	83	136	18	377

\* 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 2015**

Average for the period	Number of international pupils * (a)	Number of international pupils ** (b)	Total number of pupils (c=a+b)
Apr – Jun 2014	2	0	2
Jul – Sep 2014	2	0	2
Oct - Dec 2014	2	0	2
Jan – Mar 2015	3	0	3

\* 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 2015**

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 2015, the School has 119 (2014: 120) 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 recognised as follows:

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

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

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

2. Significant accounting policies

2.2 Revenue recognition (Cont'd)

- 2.2.4 Interest income is recognised on a time-proportion basis using the effective interest method.
- 2.2.5 Other income is recognised when received.

2.3 Property, plant and equipment

2.3.1 Measurement

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

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

2.3.2 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.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the School and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.3.4 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. Significant accounting policies (Cont'd)

2.4 Financial assets

2.4.1 Recognition and measurement

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

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

2.4.2 Derecognition

Trade and other receivables are derecognised 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 recognised 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 reorganisation, 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 recognised in the statement of financial activities within "Governance and administrative costs".

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

2.5 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.

2.6 Financial liabilities

Financial liabilities are recognised 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 recognised in the statement of financial activities. Financial liabilities include accruals and other payables.

Financial liabilities is derecognised 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 recognised in the statement of financial activities.

## 2. Significant accounting policies (Cont'd)

### 2.7 Trade and other payables

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

### 2.8 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised 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.

### 2.9 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.

### 2.10 Employee compensation

#### 2.10.1 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 recognised as employee compensation expense when they are due.

#### 2.10.2 Employee compensation

Employee entitlements to annual leave other than teaching staff are recognised when they accrue to employees. With effect from 1 January 2015, unused annual leave is allowed to be carried forward to a maximum of 7 days, and to be utilised by 31 March of the following year. Any unused leave that is not utilised is deemed to be forfeited.

### 2.11 Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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

### 2.12 Currency translation

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

## 2. Significant accounting policies (Cont'd)

### 2.13 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the School if that person:
  - (i) Has control or joint control over the School;
  - (ii) Has significant influence over the School; or
  - (iii) Is a member of the key management personnel of the School or of a parent of the School;
- (b) An entity is related to the School if any of the following conditions applies:
  - (i) The entity and the School are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others;
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the School or an entity related to the School. If the School is itself such a plan, the sponsoring employers are also related to the School;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

## 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

	2015 S\$	2014 S\$
Cash on hand	209	1,000
Cash at bank	4,466,033	4,510,652
Fixed deposits	8,878,970	8,818,709
	<u>13,345,212</u>	<u>13,330,361</u>

Fixed deposits have maturity terms from 12 months to 18 months (2014: 6 months to 12 months) and have interest rates ranging from 0.55% to 1.37% (2014: 0.55% to 0.84%) per annum.

#### 5. Other receivables

	2015 S\$	2014 S\$
Deposits	69,553	0
Fees receivables	21,105	19,385
Grant receivables	420,550	30,797
Accrued interests	43,079	23,525
Amount due from related party	115,791	8,200
Prepayments	2,169	3,339
Other receivables	0	7,498
	<u>672,247</u>	<u>92,744</u>

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

#### 6. Property, plant and equipment

	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Transfer (to)/from	Balance at end of financial year S\$
<b>2015</b>					
<b>Cost</b>					
Arts and music	97,399	13,176	(652)	16,900	126,823
Building in progress	0	0	0		0
Computers	387,982	136,821	(162,843)		361,960
Furniture and fittings	192,831	3,080	(34,716)		161,195
Office equipment	374,105	97,065	(83,097)		388,073
Other equipment	602,815	180,129	0	(16,900)	766,044
Physio and occupational equipment	660	32,638	0		33,298
Renovations	252,711	180,780	0		433,491
School building	15,114,403	291,600	0		15,406,003
	<u>17,022,906</u>	<u>935,289</u>	<u>(281,308)</u>	<u>0</u>	<u>17,676,887</u>
	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written back/ off) S\$	Transfer (to)/from	Balance at end of financial year S\$
<b>Accumulated depreciation</b>					
Arts and music	93,447	1,923	(651)	16,897	111,616
Building in progress	0	0	0		0
Computers	306,086	102,012	(160,985)		247,113
Furniture and fittings	169,469	10,309	(34,703)		145,075
Office equipment	261,610	49,492	(82,319)		228,783
Other equipment	473,983	154,580	0	(16,897)	611,666
Physio and occupational equipment	659	5,438	0		6,097
Renovations	214,550	89,001	0		303,551
School building	1,586,111	313,952	0		1,900,063
	<u>3,105,915</u>	<u>726,707</u>	<u>(278,658)</u>	<u>0</u>	<u>3,553,964</u>
	Balance at beginning of financial year S\$				Balance at end of financial year S\$
<b>Net book value</b>					
Arts and music	3,952				15,207
Building in progress	0				0
Computers	81,896				114,847
Furniture and fittings	23,362				16,120
Office equipment	112,495				159,290
Other equipment	128,832				154,378
Physio and occupational equipment	1				27,201
Renovations	38,161				129,940
School building	13,528,292				13,505,940
	<u>13,916,991</u>				<u>14,122,923</u>

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

	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Transfer (to) / from S\$	Balance at end of financial year S\$
<b>2014</b>					
<b>Cost</b>					
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>
	Balance at beginning of financial year S\$	Additions S\$	(Disposals) S\$	Transfer (to) / from S\$	Balance at end of financial year S\$
<b>Accumulated depreciation</b>					
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	<u>1,283,823</u>	<u>302,288</u>	<u>0</u>	<u>0</u>	<u>1,586,111</u>
	<u>2,523,868</u>	<u>625,204</u>	<u>(43,157)</u>	<u>0</u>	<u>3,105,915</u>
	Balance at beginning of financial year S\$				Balance at end of financial year S\$
<b>Net book value</b>					
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	<u>6,843,168</u>				<u>13,528,292</u>
	<u>14,345,630</u>				<u>13,916,991</u>

## 7. Accruals and other payables

	2015 S\$	2014 S\$
Accrued operating expenses		
– Outside parties	327,515	390,384
Deferred grants received	25,083	57,101
Other payables		
– Outside parties	292,142	820
– Related party	<u>18,418</u>	<u>1,589</u>
	<u>663,158</u>	<u>449,894</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:

	2015 S\$	2014 S\$
NCSS grant (over) / under funding FY 2012 / 2013	0	(19,508)
NCSS grant (over) / under funding FY 2013 / 2014	(6,346)	0
TOTE Board (over) / under funding FY 2012 / 2013	0	(58,968)
TOTE Board (over) / under funding FY 2013 / 2014	<u>(10,790)</u>	<u>0</u>
	<u>(17,136)</u>	<u>(78,476)</u>

## 9. Restricted funds

### 9.1 Additional training vote fund

	2015 S\$	2014 S\$
Balance at the beginning of the year	13,233	0
Grants received during the year	<u>12,767</u>	<u>23,600</u>
	26,000	23,600
Expenditure during the year	<u>(14,802)</u>	<u>(10,367)</u>
Balance at the end of the year	<u>11,198</u>	<u>13,233</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.

### 9.2 Curriculum enhancement fund

	2015 S\$	2014 S\$
Balance at the beginning of the year	46,841	475
Grants received during the year	<u>23,159</u>	<u>79,525</u>
	70,000	80,000
Expenditure during the year	<u>(61,234)</u>	<u>(33,159)</u>
Balance at the end of the year	<u>8,766</u>	<u>46,841</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. Restricted funds (Cont'd)

### 9.3 Discretionary financial assistance fund

	2015 S\$	2014 S\$
Balance at the beginning of the year	(3,820)	18,775
Grants received during the year	<u>25,000</u>	<u>6,225</u>
	21,180	25,000
Expenditures during the year	<u>(21,180)</u>	<u>(28,820)</u>
Balance at the end of the year	<u>0</u>	<u>(3,820)</u>

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

### 9.4 Financial assistance fund

	2015 S\$	2014 S\$
Balance at the beginning and end of the year	<u>15</u>	<u>15</u>

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

### 9.5 High needs fund

	2015 S\$	2014 S\$
Balance at the beginning of the year	4,335	6,940
Grants received during the year	<u>30,040</u>	<u>29,740</u>
	34,375	36,680
Expenditures during the year	<u>(32,526)</u>	<u>(32,345)</u>
Balance at the end of the year	<u>1,849</u>	<u>4,335</u>

In financial year 2012, 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

	2015 S\$	2014 S\$
Balance at the beginning of the year	20,356	5,600
Grants received during the year	<u>5,210</u>	<u>42,925</u>
	25,566	48,525
Expenditures during the year	<u>(9,723)</u>	<u>(28,169)</u>
Balance at the end of the year	<u>15,843</u>	<u>20,356</u>

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

## 9. Restricted funds (Cont'd)

### 9.7 Parent support group fund

	2015 S\$	2014 S\$
Balance at the beginning of the year	0	2,500
Grants received during the year	<u>2,500</u>	<u>0</u>
	2,500	2,500
Expenditures during the year	<u>(1,261)</u>	<u>(2,500)</u>
Balance at the end of the year	<u>1,239</u>	<u>0</u>

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

	2015 S\$	2014 S\$
Balance at the beginning of the year	1,688,105	1,498,997
Expenditures during the year	<u>(23,009)</u>	<u>(12,041)</u>
Appropriation of net income	122,865	201,149
Transfer of funds	<u>(38,677)</u>	<u>0</u>
Balance at the end of the year	<u>1,749,284</u>	<u>1,688,105</u>

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.

There were assets purchased during the year, but not yet charged to the fund, have a net book value totalling \$58,885 approximately as at the reporting date.

### 9.9 School To Work (S2W) fund

	2015 S\$	2014 S\$
Balance at the beginning of the year	0	0
Grants received during the year	<u>57,000</u>	<u>0</u>
	57,000	0
Expenditures during the year	<u>(56,384)</u>	<u>0</u>
Balance at the end of the year	<u>616</u>	<u>0</u>

The programme aims to develop more work and training options and pathways to benefit SPED students in their graduating year who have the potential to work.

There were assets purchased during the year, but not yet charged to the fund, have a net book value totalling \$281 approximately as at the reporting date.

**9. Restricted funds (Cont'd)****9.10 School building fund - Extension**

	2015 S\$	2014 S\$
Balance at the beginning of the year	(68,025)	(68,014)
Grants received during the year	261,668	0
Expenditures during the year	(11,664)	(11)
Transfer of funds	(2,850)	0
Balance at the end of the year	<u>179,129</u>	<u>(68,025)</u>

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 through its project fund.

**9.11 Sinking fund**

	2015 S\$	2014 S\$
Balance at the beginning of the year	2,522,984	2,321,835
Expenditures during the year	(29,180)	0
Appropriation of net income	122,865	201,149
Balance at the end of the year	<u>2,616,669</u>	<u>2,522,984</u>

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

There were assets purchased during the year, but not yet charged to the fund, have a net book value totalling \$47,450 approximately as at the reporting date.

**9.12 Staff training vote fund**

	2015 S\$	2014 S\$
Balance at the beginning of the year	32,676	114,801
Grants received during the year	<u>113,195</u>	<u>34,029</u>
	145,871	148,830
Expenditures during the year	<u>(116,937)</u>	<u>(116,154)</u>
Balance at the end of the year	<u>28,934</u>	<u>32,676</u>

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.

**9.13 Student assistance fund**

	2015 S\$	2014 S\$
Balance at the beginning of the year	1,636,892	1,481,095
Expenditures during the year	(39,939)	45,352
Appropriation of net income	122,865	201,149
Balance at the end of the year	<u>1,719,818</u>	<u>1,636,892</u>

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

**10. Designated donation**

Designated donations received during the year are as follows:

	2015 S\$	2014 S\$
Baking, housekeeping and food preparation programme	19,446	54,599
Financial assistance to the needy	0	5,000
ICT costs	0	2,542
School building extension and renovation	0	9,998
School activities, meals and groceries	<u>6,210</u>	<u>16,743</u>
	<u>25,656</u>	<u>88,882</u>

**11. Staff costs**

	2015 S\$	2014 S\$
CPF contributions	581,446	704,963
Salaries and bonus	5,600,222	5,014,147
Staff welfare	<u>237,196</u>	<u>231,347</u>
	<u>6,418,864</u>	<u>5,950,457</u>

Staff welfare expenses includes expenses that consist of medical insurance, transport reimbursement, staff training and other staff welfare related expenses

	2015 S\$	2014 S\$
The staff costs were allocated as follows:		
Costs of charitable activities		
– Proto-typing of vocational preparation	104,579	95,732
– School	5,335,093	5,010,954
– MOE seconded teacher	<u>209,484</u>	<u>173,805</u>
Governance and administrative costs	<u>769,708</u>	<u>669,966</u>
	<u>6,418,864</u>	<u>5,950,457</u>

**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. Operating lease commitments**

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

	2015 S\$	2014 S\$
Not later than one year	11,171	10,440
Later than one year but not later than five years	<u>15,600</u>	<u>27,502</u>
	<u>26,771</u>	<u>37,942</u>

#### 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:

	2015 S\$	2014 S\$
Expenses paid to related party	6,406	0
Income received by related party	129,662	8,200
Income received on behalf of related party	2,640	0
Purchase of goods and service from related party	98,331	0
Reimbursement of expenses paid:		
– By the related parties for the School	<u>0</u>	<u>3,464</u>

Balances with the related parties as at the reporting date are set out in Notes 5 and 7.

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 recognised in the School's statement of financial activities and instead in Metta Welfare Association's accounts.

The rental expense and income recognised by Metta Welfare Association amounts to S\$784,434 (2014: S\$797,004).

#### 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. Capital grants

The School received capital grants for the procurement of its fixed assets. These were recognised as income and are included in the general reserves. The balance of the grants is as follows:

	2015 S\$	2014 S\$
Beginning of financial year	13,722,116	14,195,158
Addition during the year	291,600	40,500
Amortised during the year	<u>(514,316)</u>	<u>(513,542)</u>
End of financial year	<u>13,499,400</u>	<u>13,722,116</u>

#### 18. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 26 August 2015.