



Unique Entity No. S94SS0081K
Registered under the Registrar of Societies

AUDITED FINANCIAL STATEMENTS

For The Year Ended 31 March 2020

慈光福利协会 财政报告

这部分只以英语呈报

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STATEMENT BY EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee present their statement together with the audited financial statements of **Metta Welfare Association** (the "Association") for the financial year ended 31 March 2020.

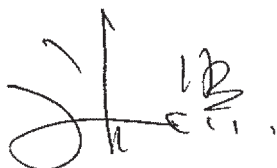
In the opinion of the Executive Management Committee,

- a) the financial statements of the Association are drawn up so as to present fairly, in all material respects, the state of affairs of the Association as at 31 March 2020 and the results and cash flows of the Association for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The Executive Management Committee, comprising the following, authorised the issue of these financial statements on

President	Lai Meng Wah @ Shi Fa Zhao
First Vice President	Shi You Guang @ Ng Wei Ping
Second Vice President	Wong Sin Yew
Honorary Secretary	Ee Tiang Hwee
Assistant Honorary Secretary	Tan Ming Tatt, Christopher
Honorary Treasurer	Oon Chong Kai, Albert
Assistant Honorary Treasurer	Lim Yew Si
Committee Member	Goh Kah Eem
Committee Member	Lim Ah Noi, Peter
Committee Member	Lim Thou Kin, Julian
Committee Member	Ong Say Kiat, Jason
Committee Member	Ng Meng Lay
Committee Member	Ko Yu Quan
Committee Member	Loke Sim Wee, Joshua
Committee Member	Woo Khai San

On behalf of the Executive Management Committee,



Lai Meng Wah @ Shi Fa Zhao
President



Oon Chong Kai, Albert
Honorary Treasurer

Singapore, 7 September 2020

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Metta Welfare Association** (the “Association”), which comprise the balance sheet as at 31 March 2020, the statement of financial activities and statement of cash flows of the Association for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the “Societies Act”), the Charities Act, Chapter 37 and other relevant regulations (the “Charities Act and Regulations”) and Charities Accounting Standard in Singapore (“CAS”), so as to present fairly, in all material respects, the state of affairs of the Association as at 31 March 2020 and the results and cash flows of the Association for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Executive Management Committee, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and CAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Associations' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations ; and
- (b) the fund raising appeal held during the financial year ended 31 March 2020 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund raising appeal.

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

- (a) the Association has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Association has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 7 September 2020

Partner in charge : Soo Hon Weng
PAB No. : 01089

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)

2019	Note	Unrestricted funds							Designated funds				Restricted funds			Total funds S\$
		General fund S\$	Investment fund S\$	Project account reserve S\$	Sinking fund S\$	Alumni student welfare fund S\$	Children welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	Medicine fund S\$	Medical care welfare fund S\$	Education trust fund S\$	Programme fund S\$			
INCOME																
		Income from generated funds														
	4	1,974,519	0	0	0	31,264	0	808	0	0	0	621	0	7,586,262	0	9,593,474
	4	1,111,391	0	0	0	0	0	0	0	0	0	0	0	89,321	0	1,200,712
	4	147,737	70,875	0	0	0	0	0	0	0	0	0	0	30,564	0	249,176
	4	813,657	0	0	0	0	0	0	0	0	0	0	0	881,353	0	1,695,010
	4	975,580	0	0	0	0	0	0	0	0	0	0	0	5,894	0	981,474
		5,022,884	70,875	0	0	31,264	0	808	0	0	0	621	0	8,593,394	0	13,719,846
EXPENDITURES																
	5	298,557	5,508	0	0	70,349	0	(396)	0	0	2,619	0	40,000	50,449	0	467,086
	5	3,823,693	0	0	0	0	0	0	0	0	0	0	0	6,512,546	0	10,336,239
	5	1,501,451	0	0	0	0	0	0	0	0	0	0	0	20,194	0	1,521,645
		5,623,701	5,508	0	0	70,349	0	(396)	0	0	2,619	0	40,000	6,583,189	0	12,324,970
NET INCOME / (EXPENDITURE)																
		(600,817)	65,367	0	0	(39,085)	0	1,204	0	0	(1,998)	0	(40,000)	2,010,205	0	1,394,876
GROSS TRANSFERS BETWEEN FUNDS																
	11	1,182,618	278,975	0	(251,068)	0	0	0	(25,233)	(16,968)	42,201	0	(40,000)	(1,210,525)	0	0
NET MOVEMENT IN FUNDS																
		581,801	344,342	0	(251,068)	(39,085)	0	1,204	(25,233)	(16,968)	40,203	0	(40,000)	799,680	0	1,394,876
TOTAL FUNDS BROUGHT FORWARD																
		25,444,299	3,208,393	1,517,134	4,819,667	288,932	44,921	38,155	25,233	16,968	0	0	281,656	(6,069,522)	0	29,615,836
TOTAL FUNDS CARRIED FORWARD																
		26,026,100	3,552,735	1,517,134	4,568,599	249,847	44,921	39,359	0	0	40,203	0	241,656	(5,269,842)	0	31,010,712

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

BALANCE SHEET AS AT 31 MARCH 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	16,494,147	16,007,023
Pledged Fixed deposits	6	375,689	375,689
Trade and other receivables	7	2,239,369	1,423,735
Inventories		3,985	4,507
		<u>19,113,190</u>	<u>17,810,954</u>
Non-current assets			
Investment in financial assets	8	2,772,004	2,776,640
Property, plant and equipment	9	13,376,369	12,460,515
		<u>16,148,373</u>	<u>15,237,155</u>
Total assets		<u>35,261,563</u>	<u>33,048,109</u>
LIABILITY			
Current liability			
Trade and other payables	10	<u>2,745,957</u>	<u>2,037,397</u>
Total liability		<u>2,745,957</u>	<u>2,037,397</u>
NET ASSETS		<u>32,515,606</u>	<u>31,010,712</u>
FUNDS			
Unrestricted funds			
General fund	11	25,710,118	26,026,100
Investment fund	11	3,923,806	3,552,735
Project account reserve	11	1,517,134	1,517,134
Sinking fund	11	4,954,768	4,568,599
Designated funds	11	440,576	374,330
		<u>36,546,402</u>	<u>36,038,898</u>
Restricted funds			
Education trust fund	11	215,156	241,656
Programme fund	11	(4,245,952)	(5,269,842)
		<u>(4,030,796)</u>	<u>(5,028,186)</u>
Total funds		<u>32,515,606</u>	<u>31,010,712</u>

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

STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Net income		1,504,894	1,394,876
Adjustments for:			
- Amortisation of investments	5	4,636	4,176
- Depreciation of property, plant and equipment	9	836,977	920,002
- Investment income		(300,395)	(249,176)
- Property, plant and equipment written off	5	0	1,102
- Unutilised leave	5	48,555	(21,725)
Operating cash flow before changes in working capital		<u>2,094,667</u>	<u>2,049,255</u>
Changes in working capital:			
- Trade and other receivables		(815,634)	(432,599)
- Inventories		522	(144)
- Trade and other payables		660,005	27,965
Cash generated from operations		<u>1,939,560</u>	<u>1,644,477</u>
Interest received		0	4,571
Net cash generated from operating activities		<u>1,939,560</u>	<u>1,649,048</u>
Cash flows from investing activities			
Investment income received		300,395	244,605
Placement of investment	8	0	(1,005,000)
Purchases of property, plant and equipment	9	<u>(1,752,831)</u>	<u>(958,689)</u>
Net cash used in investing activities		<u>(1,452,436)</u>	<u>(1,719,084)</u>
Net increase/(decrease) in cash and cash equivalents		487,124	(70,036)
Cash and cash equivalents at beginning of financial year		<u>16,007,023</u>	<u>16,077,059</u>
Cash and cash equivalents at end of financial year	6	<u>16,494,147</u>	<u>16,007,023</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

1. General information

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

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

The Association is registered as a charity organisation under Charities Act, Chapter 37 on 9 March 1995 and has been accorded an Institution of a Public Character ("IPC") status for the period 1 June 2018 to 28 February 2021.

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

1. Metta Home for the Disabled
2. Metta Home Day Activity Centre
3. Metta Day Activity Centre for the Intellectually Disabled
4. Metta Day Rehabilitation Centre for the Elderly
5. Metta Hospice Care Centre
6. Metta HomeCare
7. Metta Preschool @Punggol
8. Metta Alumni Care

2. Significant accounting policies

2.1 Basis of preparation

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

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

The preparation of the financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

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

2.2 Revenue recognition

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

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt.

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

2. Significant accounting policies (Cont'd)

2.2 Revenue recognition (Cont'd)

2.2.2 Government grants

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

2.2.3 Revenue from services rendered

Revenue from rendering of services is recognised when the services have been performed and rendered.

2.2.4 Sale of goods

Revenue from the sale of goods is recognised when the Association has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

2.2.5 Interest and investment income

Interest and investment income are recognised on a time-proportion basis using the effective interest method.

2.2.6 Other income

Other income is recognised when received.

2.3 Expenditure recognition

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

2.3.1 Cost of generating funds from fund-raising activities

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

2.3.2 Cost of charitable activities

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

2.3.3 Governance and administrative costs

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

2.4 Employee benefits

2.4.1 Defined contribution plans

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

2. Significant accounting policies (Cont'd)

2.4 Employee benefits (Cont'd)

2.4.2 Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.5 Operating 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.

2.6 Financial assets

2.6.1 Recognition and measurement

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

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

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

2.6.2 Derecognition

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

2.6.3 Impairment

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

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

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.3 Impairment (Con't)

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

2.7 Cash and cash equivalents

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

2.8 Inventories

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

2.9 Property, plant and equipment

2.9.1 Measurement

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

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.

2.9.2 Depreciation

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

	Useful lives
Aircon	5 years
Alarm and security system	5 years
Arts and music equipment	5 years
Building	30 - 50 years
Computer	3 years
Electrical and fittings	5 years
Furniture and equipment	5 years
Kitchen equipment	5 years
Laundry equipment	5 years
Motor vehicles	5 years
Physio / Medical equipment	5 years
Renovation	7 - 15 years

Assets under work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.9 Property, plant and equipment (Cont'd)

2.9.2 Depreciation (Con't)

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.

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

2.9.4 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.

2.10 Financial liabilities

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

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

2.11 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 recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.12 Provisions for other liabilities and charges

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

2.13 Funds

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

2.14 Events after report date

Events after report date that provide additional information about the Association's position at the report date (adjusting events) are reflected in the financial statements. Events occurring after report date that are not adjusting events are disclosed in the notes to the financial statements when material.

2. Significant accounting policies (Cont'd)

2.15 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 Association if that person:
 - (i) Has control or joint control over the Association;
 - (ii) Has significant influence over the Association; or
 - (iii) Is a member of the key management personnel of the Association or of a parent of the Association;
- (b) An entity is related to the Association if any of the following conditions applies:
 - (i) The entity and the Association 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 Association or an entity related to the Association. If the Association is itself such a plan, the sponsoring employers are also related to the Association;
 - (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 accounting estimates and assumptions

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgments in applying the entity's accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future 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.

Government grants

Government grants to meet operating expenses are recognised as income in the income and expenditure statement on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Association will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Association if the conditions are not met.

4. Income

Note	Unrestricted funds										Restricted funds			Total funds S\$
	General fund S\$	Investment fund S\$	Sinking fund S\$	Designated funds				Restricted funds						
				Alumni student welfare fund S\$	Children welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	Apprentice Training fund S\$	Medical care welfare fund S\$	Education trust fund S\$	Programme fund S\$			
2020														
Voluntary income														
Donations – Tax exempt	706,745	0	0	0	0	0	0	0	0	0	0	0	133,792	840,537
Donations – Non-tax exempt	270,783	0	0	0	0	0	0	0	0	0	0	0	131,468	402,251
Donations – Designated	107,723	0	0	48,592	2,192	0	0	0	70,000	248	0	0	89,770	318,525
Grants – Government	0	0	0	0	0	0	0	0	0	0	0	0	38,203	38,203
- AIC grants	34,985	0	0	0	0	0	0	0	0	0	0	0	54,146	89,131
- IRAS grants	25,865	0	0	0	0	0	0	0	0	0	0	0	33,328	59,193
- MOM grants	784,434	0	0	0	0	0	0	0	0	0	0	0	326,616	1,111,050
- MOE grants	0	0	0	0	0	0	0	0	0	0	0	0	1,619,607	1,619,607
- MOH grants	0	0	0	0	0	0	0	0	0	0	0	0	5,193,316	5,193,316
- MSF grants	0	0	0	0	0	0	0	0	0	0	0	0	5,300	5,300
CTG	0	0	0	0	0	0	0	0	0	0	0	0	13,920	13,920
IMDA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
President's Challenge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Care and Share	232,556	0	0	0	0	0	0	0	0	0	0	0	180	232,556
NCSS grants	31,965	0	0	0	0	0	0	0	0	0	0	0	83,077	32,145
VWOT Transport subsidy	0	0	0	0	0	0	0	0	0	0	0	0	83,077	83,077
Grants – Non – Government	85,000	0	0	0	0	0	0	0	0	0	0	0	17,584	102,584
Tote Board grants	0	0	0	0	0	0	0	0	0	0	0	0	1,157,328	1,157,328
Community Silver Trust	0	0	0	0	0	0	0	0	0	0	0	0	299,486	299,486
	2,280,056	0	0	48,592	2,192	0	0	0	70,000	248	0	0	9,197,121	11,598,209
	100	0	0	0	0	0	0	0	0	0	0	0	0	100
Event and activity	981,606	0	0	0	0	0	0	0	0	0	0	0	29,158	1,010,764
Fund-raising	981,706	0	0	0	0	0	0	0	0	0	0	0	29,158	1,010,864
	176,794	0	0	0	0	0	0	0	0	0	0	0	38,284	215,078
Investment income	0	70,092	0	0	0	0	0	0	0	0	0	0	15,225	85,317
Interest income	176,794	70,092	0	0	0	0	0	0	0	0	0	0	53,509	300,395
Investment income														
	2,460	0	0	0	0	0	0	0	0	0	0	0	587,300	589,760
Fees received	672	0	0	0	0	0	0	0	0	0	0	0	0	672
Membership fee	796,815	0	0	0	0	0	0	0	0	0	0	0	0	796,815
Sales of goods	0	0	0	0	0	0	0	0	0	0	0	0	75,569	75,569
Transport service fee	75,271	0	0	0	0	0	0	0	0	0	0	0	13,634	88,905
Others	875,218	0	0	0	0	0	0	0	0	0	0	0	676,503	1,551,721
	83,117	0	0	0	0	0	0	0	0	0	0	0	0	83,117
Other income	3,064	0	0	0	0	0	0	0	0	0	0	0	3,682	6,746
Management fee income	86,181	0	0	0	0	0	0	0	0	0	0	0	3,682	89,863
Sundry														

4. Income (Cont'd)

	Note	Unrestricted funds							Designated funds				Restricted funds			Total funds S\$		
		General fund S\$	Investment fund S\$	Sinking fund S\$	Alumni student welfare fund S\$	Children welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	Medicine fund S\$	Medical care welfare fund S\$	Education trust fund S\$	Programme fund S\$	Restricted funds					
													Education trust fund S\$	Programme fund S\$				
2019																		
Voluntary income																		
Donations – Tax exempt		531,793	0	0	0	0	0	0	0	0	0	0	0	0	186,472	0	719,073	
Donations – Non-tax exempt		304,864	0	0	0	0	0	0	0	0	0	0	0	0	137,407	0	442,271	
Donations – Designated		67,657	0	0	31,264	0	0	0	0	0	0	0	621	0	37,414	0	136,956	
Grants – Government		0	0	0	0	0	0	0	0	0	0	0	0	0	90,723	0	90,723	
- AIC grants		0	0	0	0	0	0	0	0	0	0	0	0	0	44,593	0	44,593	
- IRAS grants		32,845	0	0	0	0	0	0	0	0	0	0	0	0	30,709	0	53,875	
- MOM grants		23,166	0	0	0	0	0	0	0	0	0	0	0	0	0	0	784,434	
- MOE grants		784,434	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,616,627	
- MOH grants		0	0	0	0	0	0	0	0	0	0	0	0	0	4,007,802	0	4,007,802	
- MSF grants		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000	
President's Challenge		100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000	
NCSS grants		0	0	0	0	0	0	0	0	0	0	0	0	0	180	0	180	
VWOT Transport subsidy		0	0	0	0	0	0	0	0	0	0	0	0	0	83,491	0	83,491	
Grants – Non – Government		129,760	0	0	0	0	0	0	0	0	0	0	0	0	17,740	0	147,500	
Tote Board grants		0	0	0	0	0	0	0	0	0	0	0	0	0	1,153,330	0	1,153,330	
Community Silver Trust		0	0	0	0	0	0	0	0	0	0	0	0	0	179,774	0	179,774	
	11	1,974,519	0	0	31,264	0	808	0	0	0	0	0	621	0	7,586,262	0	9,593,474	
Activities for generating funds																		
Event and activity		128,670	0	0	0	0	0	0	0	0	0	0	0	0	0	0	128,670	
Fund-raising		982,721	0	0	0	0	0	0	0	0	0	0	0	0	89,321	0	1,072,042	
		1,111,391	0	0	0	0	0	0	0	0	0	0	0	0	89,321	0	1,200,712	
Investment income																		
Interest income		147,737	0	0	0	0	0	0	0	0	0	0	0	0	21,731	0	169,468	
Investment income		0	70,875	0	0	0	0	0	0	0	0	0	0	0	8,833	0	79,708	
		147,737	70,875	0	0	0	0	0	0	0	0	0	0	0	30,564	0	249,176	
Income from charitable activities																		
Fees received		420	0	0	0	0	0	0	0	0	0	0	0	0	785,375	0	785,795	
Membership fee		636	0	0	0	0	0	0	0	0	0	0	0	0	0	0	636	
Sales of goods		750,662	0	0	0	0	0	0	0	0	0	0	0	0	0	0	750,662	
Transport service fee		30	0	0	0	0	0	0	0	0	0	0	0	0	81,044	0	81,074	
Others		61,909	0	0	0	0	0	0	0	0	0	0	0	0	14,934	0	76,843	
		813,657	0	0	0	0	0	0	0	0	0	0	0	0	881,353	0	1,695,010	
Other income																		
Management fee income *		973,999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	973,999	
Sundry		1,581	0	0	0	0	0	0	0	0	0	0	0	0	5,894	0	7,475	
		975,580	0	0	0	0	0	0	0	0	0	0	0	0	5,894	0	981,474	

* During the financial year, Ministry of Education and National Council of Social Services consented a back charge of \$895,383 management fee to Metta School for the period January 2005 to March 2019.

5. Expenditure (Cont'd)

	Note	Unrestricted funds										Restricted funds			Total funds S\$			
		General					Designated funds					Education trust fund S\$	Programme fund S\$	Total funds S\$				
		fund S\$	Investment fund S\$	Sinking fund S\$	Alumni student welfare fund S\$	Children welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	Medicine fund S\$	Medical care welfare fund S\$								
2019																		
Cost of generating funds																		
Amortisation of investments	8	0	4,176	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,176
Corporate social responsibility		468	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	512
Investment interest expense		0	1,332	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,832
Designated expenses		56,536	0	0	70,349	0	(396)	0	0	0	0	0	2,619	0	0	0	0	1,832
Donation expense		23,919	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	202,824
Event and activity expense		35,881	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27,298
Fund-raising expenditure		181,753	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,881
		298,557	5,508	0	70,349	0	(396)	0	0	0	0	0	2,619	0	0	0	0	194,563
																		467,086
Cost of charitable activities																		
Cost of sales	9	265,931	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	265,931
Depreciation		293,583	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	920,002
Direct activity expenses																		
- Insurance		268	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	562
- Meals and refreshments		28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80,351
- Medical and physical aids		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	78,662
- Medical professional fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	273,563
- Other expenses		88,303	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	108,831
- Outings and activities		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	840
- Training and teaching materials		47,766	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	55,605
- Transportation		352	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	169,711
- Uniform		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,568
- Utensils		140	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	685
Fixed assets expensed		26,451	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,019
Public education		4,419	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,568
Rental																		0
- Land and building		1,029,100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	366,030
- Equipment		29,273	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,803
Staff costs	12	1,554,183	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,436,218
Utilised leave	12	(950)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(20,775)
Upkeep, repairs and maintenance																		
- Aircon and lift		23,236	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,258
- Building and landscaping		85,221	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,665
- Equipment		21,581	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,348
Balance carried forward		3,468,885	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,132,195
																		9,601,080

5. Expenditure (Cont'd)

	Note	Unrestricted funds										Restricted funds			Total funds S\$			
		Designated funds					Unrestricted funds					Education trust fund S\$	Programme fund S\$	Total funds S\$				
		General fund S\$	Investment fund S\$	Sinking fund S\$	Alumni student welfare fund S\$	Children welfare fund S\$	Client welfare fund S\$	Equipment fund S\$	Medicine fund S\$	Medical care welfare fund S\$	Programme fund S\$							
2019 (Cont'd)																		
Cost of charitable activities (Cont'd)																		
Balance brought forward		3,468,885	0	0	0	0	0	0	0	0	0	0	0	0	0	6,132,195	9,601,080	
- General		109,365	0	0	0	0	0	0	0	0	0	0	0	0	0	66,648	176,013	
- Kitchen and laundry equipment		2,194	0	0	0	0	0	0	0	0	0	0	0	0	0	10,497	12,691	
- Motor vehicles		17,739	0	0	0	0	0	0	0	0	0	0	0	0	0	47,568	65,307	
- Utilities		134,786	0	0	0	0	0	0	0	0	0	0	0	0	0	198,225	333,011	
Others		5,709	0	0	0	0	0	0	0	0	0	0	0	0	0	4,365	10,074	
- General expenses		26,609	0	0	0	0	0	0	0	0	0	0	0	0	0	5,667	32,276	
- License and subscription		4,464	0	0	0	0	0	0	0	0	0	0	0	0	0	178	4,642	
- Meeting expenses		19,883	0	0	0	0	0	0	0	0	0	0	0	0	0	14,707	34,590	
- Printing, stationery and postage		34,059	0	0	0	0	0	0	0	0	0	0	0	0	0	32,496	66,555	
- Telecommunication		3,823,693	0	0	0	0	0	0	0	0	0	0	0	0	0	6,512,546	10,336,239	
Governance and other administrative costs																		
Audit fees		48,139	0	0	0	0	0	0	0	0	0	0	0	0	0	2,354	50,493	
Bank charges		2,703	0	0	0	0	0	0	0	0	0	0	0	0	0	1,372	4,075	
Consultation		9,737	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,737	
Newspapers and periodicals		1,236	0	0	0	0	0	0	0	0	0	0	0	0	0	411	1,647	
Other professional fees		5,282	0	0	0	0	0	0	0	0	0	0	0	0	0	7,207	12,489	
Outsource IT service		32,742	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32,742	
Property, plant and equipment written off		0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,102	1,102	
Recruitment		8,292	0	0	0	0	0	0	0	0	0	0	0	0	0	7,748	16,040	
Staff costs	12	1,393,320	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,393,320	
		1,501,451	0	0	0	0	0	0	0	0	0	0	0	0	0	20,194	1,521,645	

6. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash on hand	23,300	13,300
Cash in banks	3,734,415	4,354,875
Fixed deposits	<u>13,112,121</u>	<u>12,014,537</u>
	16,869,836	16,382,712
Pledged fixed deposits	<u>(375,689)</u>	<u>(375,689)</u>
Cash and cash equivalents for cash flow purposes	<u><u>16,494,147</u></u>	<u><u>16,077,023</u></u>

Fixed deposits have maturity terms of 1 to 12 months (2019: 1 to 16 months) and interest rates ranging from 0.25% to 2.20% (2019: 0.25% to 1.70%) per annum.

Fixed deposit amounting to S\$325,689 (2019: S\$325,689) is pledged against the Banker's Guarantee in compliance to the tenancy agreement with Singapore Land Authority, which will expire on 8 June 2020 and 29 June 2020.

Fixed deposit amounting to S\$50,000 (2019: S\$50,000) is pledged to existing credit cards with United Overseas Bank.

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

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

	2020 S\$	2019 S\$
Less than 1 month	500,000	2,526,200
1 month to 1 year	12,612,121	9,406,683
More than 1 year	<u>0</u>	<u>81,654</u>
	<u><u>13,112,121</u></u>	<u><u>12,014,537</u></u>

7. Trade and other receivables

	2020 S\$	2019 S\$
Trade receivables		
- Third parties	58,675	60,283
- Allowance for bad debts	<u>(2,300)</u>	<u>(2,300)</u>
	56,375	57,983
Other receivables		
- Amounts due from related parties	98,790	150,520
- Deposits paid	313,400	41,120
- Grants receivable	519,376	982,666
- Grants receivable – Jobs Support Scheme	1,074,896	0
- Other receivables	93,474	115,790
- Prepayments	<u>83,058</u>	<u>75,656</u>
	<u><u>2,182,994</u></u>	<u><u>1,365,752</u></u>
	<u><u>2,239,369</u></u>	<u><u>1,423,735</u></u>

7. Trade and other receivables (Cont'd)

Amounts due from related parties are unsecured, interest-free, repayable on demand, and are to be settled in cash.

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

8. Investment in financial assets

	2020 S\$	2019 S\$
Listed debt securities		
- Bond with fixed interest of 3.08% and maturity date as at 12 September 2022 - Singapore	501,578	502,211
- Mapletree Commercial Trust with fixed interest of 3.11% and maturity date as at 24 August 2026 - Singapore	508,050	509,305
- Bond with fixed interest of 3.10% and maturity date as at 24 July 2024 - Singapore	758,494	760,454
- Bond with fixed interest of 3.14% and maturity date as at 2 March 2025 - Singapore	503,882	504,670
- Mapletree Commercial Trust with fixed interest of 3.05% and maturity date as at 27 August 2027 - Singapore	500,000	500,000
	<u>2,772,004</u>	<u>2,776,640</u>

The movement of the investment in financial assets are as follows:

	2020 S\$	2019 S\$
Beginning of financial year	2,776,640	1,775,816
Addition	0	1,005,000
Disposal	0	0
Amortisation during the financial year	5 (4,636)	(4,176)
Balance at end of financial year	<u>2,772,004</u>	<u>2,776,640</u>

At the reporting date, the fair value of the above investment in financial assets are S\$2,800,469 (2019: S\$2,779,375).

9. Property, plant and equipment

	Beginning of financial year S\$	Additions S\$	Written off/Transfer S\$	End of financial year S\$
2020				
Cost				
Aircon	472,277	60,455	469,505	1,002,237
Alarm and security system	346,843	0	(5,565)	341,278
Arts and music equipment	6,065	0	0	6,065
Building	15,626,677	0	0	15,626,677
Computer	877,715	55,710	103,439	1,036,864
Electrical and fittings	225,900	0	0	225,900
Furniture and equipment	902,332	62,992	(5,384)	959,940
Kitchen equipment	187,466	11,340	(2,247)	196,559
Laundry equipment	58,407	0	0	58,407
Motor vehicles	604,177	0	(9,086)	595,091
Physio / Medical equipment	586,219	5,395	(1,593)	590,021
Renovation	2,439,716	4,800	0	2,444,516
Work in progress	587,060	1,552,139	(577,010)	1,562,189
	<u>22,920,854</u>	<u>1,752,831</u>	<u>(27,941)</u>	<u>24,645,744</u>
	Beginning of financial year S\$	Depreciation S\$	Written off/Transfer S\$	End of financial year S\$
Accumulated depreciation				
Aircon	453,268	106,143	(4,066)	555,345
Alarm and security system	225,893	37,352	(5,565)	257,680
Arts and music equipment	6,065	0	0	6,065
Building	5,166,104	310,452	0	5,476,556
Computer	811,158	67,178	0	878,336
Electrical and fittings	210,250	13,746	0	223,996
Furniture and equipment	869,125	20,527	(5,384)	884,268
Kitchen equipment	155,800	10,297	(2,247)	163,850
Laundry equipment	58,407	0	0	58,407
Motor vehicles	582,637	21,540	(9,086)	595,091
Physio / Medical equipment	351,212	92,243	(1,593)	441,862
Renovation	1,570,420	157,499	0	1,727,919
Work in progress	0	0	0	0
	<u>10,460,339</u>	<u>836,977</u>	<u>(27,941)</u>	<u>11,269,375</u>
	Beginning of financial year S\$			End of financial year S\$
Carrying amount				
Aircon	19,009			446,892
Alarm and security system	120,950			83,598
Arts and music equipment	0			0
Building	10,460,573			10,150,121
Computer	66,557			158,528
Electrical and fittings	15,650			1,904
Furniture and equipment	33,207			75,672
Kitchen equipment	31,666			32,709
Laundry equipment	0			0
Motor vehicles	21,540			0
Physio / Medical equipment	235,007			148,159
Renovation	869,296			716,597
Work in progress	587,060			1,562,189
	<u>12,460,515</u>			<u>13,376,369</u>

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

2019	Beginning of financial year S\$	Additions S\$	(Written off) S\$	End of financial year S\$
Cost				
Aircon	457,619	14,658	0	472,277
Alarm and security system	243,021	120,080	(16,258)	346,843
Arts and music equipment	6,065	0	0	6,065
Building	15,626,677	0	0	15,626,677
Computer	853,250	25,051	(586)	877,715
Electrical and fittings	225,900	0	0	225,900
Furniture and equipment	886,774	16,453	(895)	902,332
Kitchen equipment	161,677	25,789	0	187,466
Laundry equipment	58,407	0	0	58,407
Motor vehicles	604,177	0	0	604,177
Physio / Medical equipment	586,691	1,926	(2,398)	586,219
Renovation	2,272,044	167,672	0	2,439,716
Work in progress	0	587,060	0	587,060
	<u>21,982,302</u>	<u>958,689</u>	<u>(20,137)</u>	<u>22,920,854</u>
	Beginning of financial year S\$	Depreciation S\$	(Written off) S\$	End of financial year S\$
Accumulated depreciation				
Aircon	360,619	92,649	0	453,268
Alarm and security system	202,494	38,555	(15,156)	225,893
Arts and music equipment	6,065	0	0	6,065
Building	4,855,650	310,454	0	5,166,104
Computer	681,252	130,492	(586)	811,158
Electrical and fittings	187,524	22,726	0	210,250
Furniture and equipment	850,442	19,578	(895)	869,125
Kitchen equipment	145,422	10,378	0	155,800
Laundry equipment	58,407	0	0	58,407
Motor vehicles	514,945	67,692	0	582,637
Physio / Medical equipment	257,756	95,854	(2,398)	351,212
Renovation	1,438,796	131,624	0	1,570,420
Work in progress	0	0	0	0
	<u>9,559,372</u>	<u>920,002</u>	<u>(19,035)</u>	<u>10,460,339</u>
	Beginning of financial year S\$			End of financial year S\$
Carrying amount				
Aircon	97,000			19,009
Alarm and security system	40,527			120,950
Arts and music equipment	0			0
Building	10,771,027			10,460,573
Computer	171,998			66,557
Electrical and fittings	38,376			15,650
Furniture and equipment	36,332			33,207
Kitchen equipment	16,255			31,666
Laundry equipment	0			0
Motor vehicles	89,232			21,540
Physio / Medical equipment	328,935			235,007
Renovation	833,248			869,296
Work in progress	0			587,060
	<u>12,422,930</u>			<u>12,460,515</u>

10. Trade and other payables

	Note	2020 S\$	2019 S\$
Trade payables			
- Third parties		205,752	245,144
Other payables			
- Accruals		502,430	805,573
- Advance receipts		82,767	115,959
- Amounts due to related parties		149,424	0
- Deposits received		144,803	106,847
- Grant received in advance		278,333	570,858
- Other creditor		140,759	83,032
- Provision for unutilised leave		166,793	109,984
- Deferred grant income – Jobs Support Scheme	7	<u>1,074,896</u>	<u>0</u>
		<u>2,745,957</u>	<u>2,037,397</u>

Amounts due to related parties are unsecured, interest-free, repayable on demand, and to be settled in cash.

11. Funds

Other than General fund, the other funds balances are represented mainly by cash and cash equivalents.

11.1 Unrestricted funds**11.1.1 General fund**

Prior to the adoption of CAS, grants received for the purchase of depreciable assets were taken to deferred capital grant accounts. The deferred grants were recognised in the statement of financial activities over the years necessary to match the depreciation of property, plant and equipment to which the grants relate.

With the adoption of CAS, the balance of deferred capital grant was recognised as General Reserves. This note shows the amount of deferred capital grant that was included in the General Reserves.

	2020 S\$	2019 S\$
Beginning of financial year	10,517,076	10,861,707
Amortised during the year	<u>(344,631)</u>	<u>(344,631)</u>
End of financial year	<u>10,172,445</u>	<u>10,517,076</u>

11.1.2 Investment fund

On 28 September 1997, the Executive Management Committee resolved that 20% of the annual surplus should be transferred to this fund.

11.1.3 Project account reserve

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

11.1.4 Sinking fund

This fund is for maintenance of the building property of Metta Building and all Centres. The 20% of annual surplus shall be transferred to this fund.

11. Funds (Cont'd)

11.1 Unrestricted funds (Cont'd)

11.1.5 Designated funds

This fund is composed of the following:

11.1.5.1 Children welfare fund

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

11.1.5.2 Client welfare fund

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

11.1.5.3 Equipment fund

This fund is used to purchase electrical appliances and exercise equipment for the clients of Metta Day Rehabilitation Centre for the Elderly. On 31 May 2018, this fund is combined with Medicine fund as one and this combined fund is renamed as Medical care welfare fund.

11.1.5.4 Medicine fund

This fund helps subsidise cost of medication and other pharmaceutical expenses of the clients of Metta Hospice Care Centre. On 31 May 2018, this fund is combined with Equipment fund as one and this combined fund is renamed as Medical care welfare fund.

11.1.5.5 Alumni student welfare fund

This fund was known as the 'Alumni Welfare fund' in the prior years. This fund is to support Metta school's students and Alumni education, training, recreational, financial assistance programmes and other related expenses.

11.1.5.6 Apprentices training fund

This fund was established on 10 March 2020. This fund is to support Metta school's alumni during their apprenticeship with various vocational partners at Maitri School.

11.1.5.7 Medical care welfare fund

This fund was established on 31 May 2018. This fund will be utilised for purchases of prescribed and/or standby medications and standby medical supplies, serving the needs of clients from Metta HomeCare, Metta Hospice Care Centre and Metta Day Rehabilitation Centre for the Elderly.

11. Funds (Cont'd)

11.2 Restricted funds

11.2.1 Education trust fund

This fund is for the benefit of special needs children of Metta School and Alumni youths.

11.2.2 Programme fund

The programme fund is recurrent funding received from Ministry of Health, Ministry of Social & Family Development, NCSS ComChest and ToteBoard Social Service Fund. This fund is to defray the operational costs of running the Children Care, Disability Care and Medical Care, Alumni care and Care and share programmes.

Programme fund represents by cash and cash equivalents and other assets.

Funds transfer between unrestricted funds and restricted fund (programmes fund) were approved by the funders and Executive Management Committee.

11.2.3 Community Silver Trust

Community Silver Trust (CST) is a matching grant of one dollar for every donation dollar raised by eligible organisations with proper governance and whose programmes are aligned with the Government's intermediate and long-term vision for the long-term care sector in Singapore, which will be provided by the CST.

The CST is managed by the Ministry of Health ("MOH") and administered by the Agency for Integrated Care (AIC) on behalf of the Trustees, which is a restricted fund.

The Community Silver Trust provides funding for various designated activities organised by the Association.

	Note	2020 S\$	2019 S\$
Balance at beginning of financial year		84,260	190,419
Additions	4	299,486	179,774
Less: Capital expenditure		(109,554)	(159,798)
Less: Operating expenditure		(149,310)	(126,135)
Less: Returned to AIC		(62,021)	0
Balance at end of financial year		<u>62,681</u>	<u>84,260</u>

11.2.4 Care and share

Care and Share fund is a matching grant from Ministry of Social and Family Development ("MSF"), where eligible donations raised by the Association are matched dollar-for-dollar by the government, received in advance from National Council of Social Service. The matched fund goes towards building the Association's capabilities and capacity in the provision of social services and programmes for its beneficiaries. The fund is restricted and any unused funds for programmes that are withdrawn or terminated prematurely may be clawed back by MSF.

The Care & Share matching grant provides funding for various designated activities organised by the Association.

11. Funds (Cont'd)**11.2 Restricted funds (Cont'd)**

11.2.4 Care and share

	Note	2020 S\$	2019 S\$
Balance at beginning of financial year		144,315	353,073
Additions	4	232,556	0
Less: Capital expenditure		0	(181,079)
Less: Operating expenditure		<u>(232,556)</u>	<u>(27,679)</u>
Balance at end of financial year		<u>144,315</u>	<u>144,315</u>

12. Staff costs

	Note	2020 S\$	2019 S\$
CPF/SDL and FWL contributions		1,008,611	971,725
Salaries and bonuses		6,374,105	6,004,576
Staff benefits		454,676	226,574
Staff welfare		<u>170,790</u>	<u>159,121</u>
		<u>8,008,182</u>	<u>7,361,996</u>

The staff costs were allocated as follows:

Costs of charitable activities*	5	6,406,239	5,968,676
Governance and administrative costs	5	<u>1,601,943</u>	<u>1,393,320</u>
		<u>8,008,182</u>	<u>7,361,996</u>

* Costs of charitable activities consist of staff costs and unutilised leave.

13. Operating lease commitments

As at the reporting date, the Association has commitments for future minimum lease payments in respect of premises and equipment under non-cancellable operating leases as follows:

	2020 S\$	2019 S\$
Rental of land		
Within one year	1,415,448	1,357,477
Later than one year but not later than five years	<u>2,817,287</u>	<u>0</u>
	<u>4,232,735</u>	<u>1,357,477</u>
Rental of equipment		
Within one year	31,055	34,989
Later than one year but not later than five years	<u>31,233</u>	<u>77,721</u>
	<u>62,288</u>	<u>112,710</u>

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

14. Income tax expense

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

15. Related party transactions

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

	2020	2019
<u>Related parties with common key management executive committee</u>	S\$	S\$
Income received	289,484	189,906
Management fee received	<u>83,116</u>	<u>973,999</u>

Key management personnel compensation

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Association. The Key management personnel for the reporting period are comprise of the Deputy Director, Deputy Executive Director, Senior Managers and Executive Management Committee members.

The remuneration of key management personnel during the financial year was as follows:

	2020	2019
	S\$	S\$
Salaries and other short-term employee benefits	812,865	720,040
Post-employment benefits – contribution to CPF	<u>119,450</u>	<u>105,066</u>
	<u>932,315</u>	<u>825,106</u>

The annual remuneration of key management personnel are classified as follows:

	2020 No. of personnel	2019 No. of personnel
Remuneration band Between S\$100,001 to \$200,000	<u>2</u>	<u>2</u>

The annual remuneration of paid staff who are close members of the family of the Executive Management Committee members are classified as follows:

	2020 No. of personnel	2019 No. of personnel
Remuneration band Between S\$50,001 to \$100,000	<u>2</u>	<u>2</u>

None of the Management Committee members received remuneration for their contributions as Management Committee.

16. Management of conflict of interest

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

17. Fund management

The primary objective of the Association is to ensure it maintains sufficient cash in order to support its activities. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

18. Reserve policy and position

The Association's reserve position for financial years ended 31 March 2020 and 31 March 2019 are as follows:

		2020	2019	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	25,710	26,026	(1.21)
	Investment fund	3,924	3,553	10.44
	Project account reserve	1,517	1,517	0.00
	Sinking fund	4,955	4,569	8.44
	Total	36,106	35,665	1.24
B	Restricted or Designated Funds			
	Designated Funds	440	374	17.65
	Restricted Funds	(4,030)	(5,028)	(19.85)
C	Total Funds	32,516	31,011	4.85
D	Total Annual Operating Expenditure	13,046	12,325	5.85
E	Ratio of Funds to Annual Operating Expenditure (A/D)	2.77	2.89	

Reference:

- C. Total Funds include unrestricted and restricted / designated funds.
- D. Total Annual Operating Expenditure includes expenses related to Cost of generating funds, Cost of Charitable Activities and Governance and Other Administrative costs.

The Association's reserve policy is as follows:

The maximum operating reserves shall be five (5) years of annual operating expenditure.

19. Events after the reporting period

An outbreak of COVID-19 (Coronavirus Disease 2019) had been reported in China on 31 December 2019. At the date of the financial statements, the outbreak has spread to the rest of the world. The Association operates in Singapore affected by the outbreak. The Association expects the support measure introduced by the Singapore Government to help cushion the cash flows impact of the Association.

However, given the unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the governments and various private corporations, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Association for future periods.

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Executive Management Committee on 7 September 2020.