



慈光福利协会

METTA WELFARE ASSOCIATION

# Financial Report

## 财务报告

UEN: S94SS0081K

ROS/ RCB Registration No: 0285/1993WEL

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

### REPORT AND FINANCIAL STATEMENTS

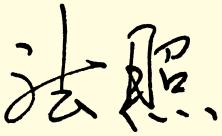
*For The Financial Year Ended 31 March 2010*

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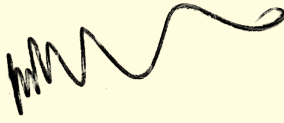
## Statement By The Management Committee

We, being two of the undersigned Management Committee of Metta Welfare Association do hereby state that, in the opinion of the Management Committee, the statement of financial position, statement of financial activities, statement of changes in funds and statement of cash flows are properly drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 March 2010 and the results, changes in funds and cash flows of the Association for the financial year ended on that date.

On behalf of the Management Committee



Ven. Shi Fa Zhao  
President



Woo Khai San Victor  
Honorary Treasurer

12 August 2010

## Independent Auditors' Report To The Management Committee Of Metta Welfare Association

We have audited the accompanying financial statements of METTA WELFARE ASSOCIATION ("the Association"), which comprise the statement of financial position as at 31 March 2010, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management Committee's Responsibility for the Financial Statements*

The Association's Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

### *Auditor's 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 control relevant to the Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management Committee, as well as evaluating the overall presentation of the financial statements.

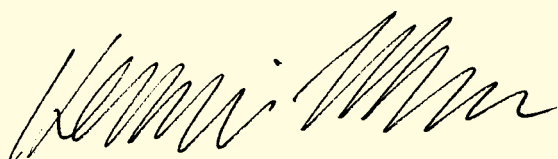
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of Metta Welfare Association as at 31 March 2010 and of the results and changes in financial position of the Association for the financial year ended on that date.

### *Report on other legal and regulatory requirements*

During the course of our audit, nothing came to our notice that caused us to believe that the fund raising expenses have exceeded 30% of the total gross receipts from fund raising during the financial year.



Helmi Talib & Co  
Public Accountants and  
Certified Public Accountants

Singapore  
12 August 2010

## Statement Of Financial Position

As at 31 March 2010

ASSETS	Note	2010 \$	2009 \$
<i>Non-current assets</i>			
Property, plant and equipment	5	14,415,548	14,005,648
Investment securities - held to maturity	6	200,000	450,000
Fixed deposits	7	180,000	180,000
<b>Total non-current assets</b>		<b>14,795,548</b>	<b>14,635,648</b>
<i>Current assets</i>			
Inventories	8	9,802	11,022
Trade and other receivables	9	527,768	446,253
Investment securities - held to maturity	6	250,000	-
Cash and cash equivalents	10	4,929,680	3,512,015
<b>Total current assets</b>		<b>5,717,250</b>	<b>3,969,290</b>
<b>TOTAL ASSETS</b>		<b>20,512,798</b>	<b>18,604,938</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Trade and other payables	11	1,207,055	809,286
Deferred capital grant	12	395,075	395,877
<b>Total current liabilities</b>		<b>1,602,130</b>	<b>1,205,163</b>
<i>Non-current liabilities</i>			
Deferred capital grant	12	13,333,353	13,217,140
<b>Total non-current liabilities</b>		<b>13,333,353</b>	<b>13,217,140</b>
<b>TOTAL LIABILITIES</b>		<b>14,935,483</b>	<b>14,422,303</b>
<b>FUNDS</b>			
<i>Unrestricted Funds</i>			
General Fund		2,040,602	1,250,936
Investment Fund		1,006,033	797,680
Project Account Reserve		1,187,647	1,187,647
Sinking Fund		336,167	299,596
Designated Funds		301,687	295,716
		<b>4,872,136</b>	<b>3,831,575</b>
<i>Restricted Funds</i>			
Education Trust Fund		351,060	351,060
Building Fund		354,119	-
		<b>705,179</b>	<b>351,060</b>
<b>TOTAL FUNDS</b>	13	<b>5,577,315</b>	<b>4,182,635</b>
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>20,512,798</b>	<b>18,604,938</b>

The accompanying notes form an integral part of the financial statements

## Statement Of Financial Activities

For the financial year ended 31 March 2010

2010

	Unrestricted Funds											Subtotal for Unrestricted Funds	Restricted Funds			Total	
	General Fund	Investment Fund	Project Account Fund	Sinking Fund	Designated Funds								Education Trust Fund	Building Fund	Subtotal for Restricted Funds		
					Student Welfare Fund	Metta School Reserve	Reserve for Client Ang Pow	Client Welfare Fund	Reserve for Equipment Fund	Reserve for Medicine Fund	HIV Fund						Subtotal for Designated Funds
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>INCOME</b>																	
<i>Voluntary income</i>																	
Amortisation of capital grant	396,663	-	-	-	-	-	-	-	-	-	-	396,663	-	-	-	-	396,663
Designated donation	51,204	-	-	-	136,941	124	4,595	5,012	13,500	347	18,000	229,723	-	372,500	372,500	-	602,223
Donation - Non Tax Exempt	270,049	-	-	-	-	-	-	-	-	-	-	270,049	-	-	-	-	270,049
Donation - Tax Exempt	611,137	-	-	-	-	-	-	-	-	-	-	611,137	-	-	-	-	611,137
Government grant subsidy	3,459,854	-	-	-	-	-	-	-	-	-	-	3,459,854	-	165,433	165,433	-	3,625,287
Membership subscription	444	-	-	-	-	-	-	-	-	-	-	444	-	-	-	-	444
NCSS grant	761,134	-	-	-	-	-	-	-	-	-	-	761,134	-	-	-	-	761,134
	<u>5,550,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,941</u>	<u>124</u>	<u>4,595</u>	<u>5,012</u>	<u>13,500</u>	<u>347</u>	<u>18,000</u>	<u>5,729,004</u>	<u>-</u>	<u>537,933</u>	<u>537,933</u>	<u>-</u>	<u>6,266,937</u>
<i>Funds generating activities</i>																	
Events and activity income	809,442	-	-	-	-	-	-	-	-	-	-	809,442	-	-	-	-	809,442
Fundraising income	947,695	-	-	-	-	-	-	-	-	-	-	947,695	-	-	-	-	947,695
	<u>1,757,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,757,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,757,137</u>
<i>Charitable income</i>																	
Fees received	977,833	-	-	-	-	-	-	-	-	-	-	977,833	-	-	-	-	977,833
<i>Interest income</i>																	
Interest received	12,607	-	-	-	-	-	-	-	-	-	-	12,607	-	-	-	-	12,607
<i>Other income</i>																	
Sundry income	163,046	-	-	-	-	-	-	-	-	-	-	163,046	-	-	-	-	163,046
<b>TOTAL INCOME</b>	<b><u>8,461,108</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>136,941</u></b>	<b><u>124</u></b>	<b><u>4,595</u></b>	<b><u>5,012</u></b>	<b><u>13,500</u></b>	<b><u>347</u></b>	<b><u>18,000</u></b>	<b><u>8,639,627</u></b>	<b><u>-</u></b>	<b><u>537,933</u></b>	<b><u>537,933</u></b>	<b><u>-</u></b>	<b><u>9,177,560</u></b>

The accompanying notes form an integral part of the financial statements

## Statement Of Financial Activities

For the financial year ended 31 March 2010

2010

	Unrestricted Funds											Subtotal for Unrestricted Funds	Restricted Funds			Total	
	General Fund	Investment Fund	Project Account Fund	Sinking Fund	Designated Funds								Education Trust Fund	Building Fund	Subtotal for Restricted Funds		
					Student Welfare Fund	Metta School Reserve	Reserve for Client Ang Pow	Client Welfare Fund	Reserve for Equipment Fund	Reserve for Medicine Fund	HIV Fund						Subtotal for Designated Funds
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENSES</b>																	
<i>Cost of generating voluntary income</i>																	
Designated donation expenses	35,272	-	-	-	156,403	-	4,180	1,424	4,646	895	5,000	172,548	207,820	-	183,814	183,814	391,634
<i>Cost of fund generating activities</i>																	
Cost of goods sold	19,236	-	-	-	-	-	-	-	-	-	-	-	19,236	-	-	-	19,236
Events/ activity expenses	296,267	-	-	-	-	-	-	-	-	-	-	-	296,267	-	-	-	296,267
Fundraising expenses	204,000	-	-	-	-	-	-	-	-	-	-	-	204,000	-	-	-	204,000
	<u>519,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,503</u>
<i>Cost of charitable activities</i>																	
Depreciation of property, plant and equipment	504,266	-	-	-	-	-	-	-	-	-	-	-	504,266	-	-	-	504,266
General expenses	40,130	-	-	-	-	-	-	-	-	-	-	-	40,130	-	-	-	40,130
Licence/ subscription	4,482	-	-	-	-	-	-	-	-	-	-	-	4,482	-	-	-	4,482
Maintenance of office equipment	33,919	-	-	-	-	-	-	-	-	-	-	-	33,919	-	-	-	33,919
Meals and refreshment	97,173	-	-	-	-	-	-	-	-	-	-	-	97,173	-	-	-	97,173
Medical and physical equipment aid	33,427	-	-	-	-	-	-	-	-	-	-	-	33,427	-	-	-	33,427
Outing and activities	4,163	-	-	-	-	-	-	-	-	-	-	-	4,163	-	-	-	4,163
Public education expenses	13,252	-	-	-	-	-	-	-	-	-	-	-	13,252	-	-	-	13,252
Printing, stationery and postages	41,790	-	-	-	-	-	-	-	-	-	-	-	41,790	-	-	-	41,790
Rental of office equipment	31,151	-	-	-	-	-	-	-	-	-	-	-	31,151	-	-	-	31,151
Rental of premises	951,809	-	-	-	-	-	-	-	-	-	-	-	951,809	-	-	-	951,809
Repair and maintenance	121,954	-	-	-	-	-	-	-	-	-	-	-	121,954	-	-	-	121,954
Staff CPF and SDF	472,061	-	-	-	-	-	-	-	-	-	-	-	472,061	-	-	-	472,061
Staff medical	41,493	-	-	-	-	-	-	-	-	-	-	-	41,493	-	-	-	41,493
Staff salaries and bonuses	3,586,299	-	-	-	-	-	-	-	-	-	-	-	3,586,299	-	-	-	3,586,299
Staff transport	4,434	-	-	-	-	-	-	-	-	-	-	-	4,434	-	-	-	4,434
Staff welfare and training	82,366	-	-	-	-	-	-	-	-	-	-	-	82,366	-	-	-	82,366
Teaching and training materials	11,742	-	-	-	-	-	-	-	-	-	-	-	11,742	-	-	-	11,742
Telecommunication	55,499	-	-	-	-	-	-	-	-	-	-	-	55,499	-	-	-	55,499
Transportation	79,337	-	-	-	-	-	-	-	-	-	-	-	79,337	-	-	-	79,337
Upkeep of motor vehicles	76,683	-	-	-	-	-	-	-	-	-	-	-	76,683	-	-	-	76,683
Utensils	1,983	-	-	-	-	-	-	-	-	-	-	-	1,983	-	-	-	1,983
Utilities	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000	-	-	-	300,000
	<u>6,589,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,589,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,589,413</u>

The accompanying notes form an integral part of the financial statements

## Statement Of Financial Activities

For the financial year ended 31 March 2010

2010

	Unrestricted Funds											Subtotal for Unrestricted Funds	Restricted Funds		Total		
	General Fund	Investment Fund	Project Account Fund	Sinking Fund	Designated Funds								Education Trust Fund	Building Fund		Subtotal for Restricted Funds	
					Student Welfare Fund	Metta School Reserve	Reserve for Client Ang Pow	Client Welfare Fund	Reserve for Equipment Fund	Reserve for Medicine Fund	HIV Fund						Subtotal for Designated Funds
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENSES</b>																	
<i>Administrative expenses</i>																	
Audit fee	19,576	-	-	-	-	-	-	-	-	-	-	-	19,576	-	-	-	19,576
Bank charges	2,219	-	-	-	-	-	-	-	-	-	-	-	2,219	-	-	-	2,219
Property, plant and equipment expensed	24,947	-	-	1,207	-	-	-	-	-	-	-	-	26,154	-	-	-	26,154
Insurance	6,919	-	-	-	-	-	-	-	-	-	-	-	6,919	-	-	-	6,919
Loss on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Newspaper/periodical	1,220	-	-	-	-	-	-	-	-	-	-	-	1,220	-	-	-	1,220
Notice/recruitment expenses	4,733	-	-	-	-	-	-	-	-	-	-	-	4,733	-	-	-	4,733
Professional fees	221,509	-	-	-	-	-	-	-	-	-	-	-	221,509	-	-	-	221,509
	281,123	-	-	1,207	-	-	-	-	-	-	-	-	282,330	-	-	-	282,330
<b>TOTAL EXPENSES</b>	<b>7,425,311</b>	<b>-</b>	<b>-</b>	<b>1,207</b>	<b>156,403</b>	<b>-</b>	<b>4,180</b>	<b>1,424</b>	<b>4,646</b>	<b>895</b>	<b>5,000</b>	<b>172,548</b>	<b>7,599,066</b>	<b>-</b>	<b>183,814</b>	<b>183,814</b>	<b>7,782,880</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>1,035,797</b>	<b>-</b>	<b>-</b>	<b>(1,207)</b>	<b>(19,462)</b>	<b>124</b>	<b>415</b>	<b>3,588</b>	<b>8,854</b>	<b>(548)</b>	<b>13,000</b>	<b>5,971</b>	<b>1,040,561</b>	<b>-</b>	<b>354,119</b>	<b>354,119</b>	<b>1,394,680</b>

The accompanying notes form an integral part of the financial statements



## Statement Of Financial Activities

For the financial year ended 31 March 2010

2009

	Unrestricted Funds											Subtotal for Unrestricted Funds	Restricted Funds			Total	
	General Fund	Investment Fund	Project Account Fund	Sinking Fund	Designated Funds								Education Trust Fund	Building Fund	Subtotal for Restricted Funds		
					Student Welfare Fund	Metta School Reserve	Reserve for Client Ang Pow	Client Welfare Fund	Reserve for Equipment Fund	Reserve for Medicine Fund	HIV Fund						Subtotal for Designated Funds
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>INCOME</b>																	
<i>Voluntary income</i>																	
Amortisation of capital grant	421,505	-	-	-	-	-	-	-	-	-	-	421,505	-	-	-	-	421,505
Designated donation	68,143	-	-	-	29,103	-	5,607	438	-	1,469	-	36,617	203,354	-	203,354	-	308,114
Donation - Non Tax Exempt	244,828	-	-	-	-	-	-	-	-	-	-	244,828	-	-	-	-	244,828
Donation - Tax Exempt	503,797	-	-	-	-	-	-	-	-	-	-	503,797	-	-	-	-	503,797
Government grant subsidy	2,996,017	-	-	-	-	-	-	-	-	-	-	2,996,017	-	-	-	-	2,996,017
Membership subscription	504	-	-	-	-	-	-	-	-	-	-	504	-	-	-	-	504
NCSS grant	255,071	-	-	-	-	-	-	-	-	-	-	255,071	-	-	-	-	255,071
	<u>4,489,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,103</u>	<u>-</u>	<u>5,607</u>	<u>438</u>	<u>-</u>	<u>1,469</u>	<u>-</u>	<u>36,617</u>	<u>4,526,482</u>	<u>203,354</u>	<u>-</u>	<u>203,354</u>	<u>4,729,836</u>
<i>Funds generating activities</i>																	
Events and activity income	501,228	-	-	-	-	-	-	-	-	-	-	501,228	-	-	-	-	501,228
Fundraising income	831,363	-	-	-	-	-	-	-	-	-	-	831,363	-	-	-	-	831,363
	<u>1,332,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332,591</u>
<i>Charitable income</i>																	
Fees received	1,075,795	-	-	-	-	-	-	-	-	-	-	1,075,795	-	-	-	-	1,075,795
<i>Interest income</i>																	
Interest received	20,172	-	-	-	-	-	1,136	-	-	-	-	1,136	-	-	-	-	21,308
<i>Other income</i>																	
Sundry income	120,036	-	-	-	-	-	-	-	-	-	-	120,036	-	-	-	-	120,036
<b>TOTAL INCOME</b>	<b><u>7,038,459</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,103</u></b>	<b><u>1,136</u></b>	<b><u>5,607</u></b>	<b><u>438</u></b>	<b><u>-</u></b>	<b><u>1,469</u></b>	<b><u>-</u></b>	<b><u>37,753</u></b>	<b><u>7,076,212</u></b>	<b><u>203,354</u></b>	<b><u>-</u></b>	<b><u>203,354</u></b>	<b><u>7,279,566</u></b>

The accompanying notes form an integral part of the financial statements



## Statement Of Financial Activities

For the financial year ended 31 March 2010

2009

	Unrestricted Funds											Subtotal for Unrestricted Funds	Restricted Funds			Total	
	General Fund	Investment Fund	Project Account Fund	Sinking Fund	Designated Funds								Education Trust Fund	Building Fund	Subtotal for Restricted Funds		
					Student Welfare Fund	Metta School Reserve	Reserve for Client Ang Pow	Client Welfare Fund	Reserve for Equipment Fund	Reserve for Medicine Fund	HIV Fund						Subtotal for Designated Funds
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENSES</b>																	
<i>Cost of generating voluntary income</i>																	
Designated donation expenses	31,556	-	-	-	102,193	-	14,986	659	1,385	740	-	119,963	151,519	40,567	-	40,567	192,086
<i>Cost of fund generating activities</i>																	
Cost of goods sold	18,796	-	-	-	-	-	-	-	-	-	-	-	18,796	-	-	-	18,796
Events/ activity expenses	239,737	-	-	-	-	-	-	-	-	-	-	-	239,737	-	-	-	239,737
Fundraising expenses	96,447	-	-	-	-	-	-	-	-	-	-	-	96,447	-	-	-	96,447
	354,980	-	-	-	-	-	-	-	-	-	-	-	354,980	-	-	-	354,980
<i>Cost of charitable activities</i>																	
Depreciation of property, plant and equipment	531,324	-	-	-	-	-	-	-	-	-	-	-	531,324	-	-	-	531,324
General expenses	21,745	-	-	-	-	-	-	-	-	-	-	-	21,745	-	-	-	21,745
Licence/ subscription	3,746	-	-	-	-	-	-	-	-	-	-	-	3,746	-	-	-	3,746
Maintenance of office equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meals and refreshment	114,632	-	-	-	-	-	-	-	-	-	-	-	114,632	-	-	-	114,632
Medical and physical equipment aid	17,652	-	-	-	-	-	-	-	-	-	-	-	17,652	-	-	-	17,652
Outing and activities	5,786	-	-	-	-	-	-	-	-	-	-	-	5,786	-	-	-	5,786
Public education expenses	36,436	-	-	-	-	-	-	-	-	-	-	-	36,436	-	-	-	36,436
Printing, stationery and postages	53,381	-	-	-	-	-	-	-	-	-	-	-	53,381	-	-	-	53,381
Rental of office equipment	30,232	-	-	-	-	-	-	-	-	-	-	-	30,232	-	-	-	30,232
Rental of premises	1,138,566	-	-	-	-	-	-	-	-	-	-	-	1,138,566	-	-	-	1,138,566
Repair and maintenance	140,786	-	-	27,151	-	-	-	-	-	-	-	-	167,937	-	-	-	167,937
Staff CPF & SDF	450,575	-	-	-	-	-	-	-	-	-	-	-	450,575	-	-	-	450,575
Staff medical	36,942	-	-	-	-	-	-	-	-	-	-	-	36,942	-	-	-	36,942
Staff salaries and bonuses	3,270,363	-	-	-	-	-	-	-	-	-	-	-	3,270,363	-	-	-	3,270,363
Staff transport	3,447	-	-	-	-	-	-	-	-	-	-	-	3,447	-	-	-	3,447
Staff welfare and training	96,654	-	-	-	-	-	-	-	-	-	-	-	96,654	-	-	-	96,654
Teaching and training materials	14,512	-	-	-	-	-	-	-	-	-	-	-	14,512	-	-	-	14,512
Telecommunication	47,841	-	-	-	-	-	-	-	-	-	-	-	47,841	-	-	-	47,841
Transportation	82,306	-	-	-	-	-	-	-	-	-	-	-	82,306	-	-	-	82,306
Upkeep of motor vehicles	85,580	-	-	-	-	-	-	-	-	-	-	-	85,580	-	-	-	85,580
Utensils	3,061	-	-	-	-	-	-	-	-	-	-	-	3,061	-	-	-	3,061
Utilities	336,434	-	-	-	-	-	-	-	-	-	-	-	336,434	-	-	-	336,434
	6,522,001	-	-	27,151	-	-	-	-	-	-	-	-	6,549,152	-	-	-	6,549,152

The accompanying notes form an integral part of the financial statements

**Statement Of Financial Activities**

For the financial year ended 31 March 2010

2009

	Unrestricted Funds											Subtotal for Unrestricted Funds	Restricted Funds		Total		
	General Fund	Investment Fund	Project Account Fund	Sinking Fund	Designated Funds								Education Trust Fund	Building Fund		Subtotal for Restricted Funds	
					Student Welfare Fund	Metta School Reserve	Reserve for Client Ang Pow	Client Welfare Fund	Reserve for Equipment Fund	Reserve for Medicine Fund	HIV Fund						Subtotal for Designated Funds
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENSES</b>																	
<i>Administrative expenses</i>																	
Audit fee	13,932	-	-	-	-	-	-	-	-	-	-	-	13,932	-	-	-	13,932
Bank charges	12,379	-	-	-	-	-	-	-	-	-	-	-	12,379	-	-	-	12,379
Property, plant and equipment expensed	14,264	-	-	-	-	-	-	-	-	-	-	-	14,264	-	-	-	14,264
Insurance	7,324	-	-	-	-	-	-	-	-	-	-	-	7,324	-	-	-	7,324
Loss on disposal of property, plant and equipment	13,974	-	-	-	-	-	-	-	-	-	-	-	13,974	-	-	-	13,974
Newspaper/periodicals	1,531	-	-	-	-	-	-	-	-	-	-	-	1,531	-	-	-	1,531
Notice/recruitment expenses	4,202	-	-	-	-	-	-	-	-	-	-	-	4,202	-	-	-	4,202
Professional fee	176,718	-	-	-	-	-	-	-	-	-	-	-	176,718	-	-	-	176,718
	<u>244,324</u>	-	-	-	-	-	-	-	-	-	-	-	<u>244,324</u>	-	-	-	<u>244,324</u>
<b>TOTAL EXPENSES</b>	<b>7,152,861</b>	<b>-</b>	<b>-</b>	<b>27,151</b>	<b>102,193</b>	<b>-</b>	<b>14,986</b>	<b>659</b>	<b>1,385</b>	<b>740</b>	<b>-</b>	<b>119,963</b>	<b>7,299,975</b>	<b>40,567</b>	<b>-</b>	<b>40,567</b>	<b>7,340,542</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(114,402)</b>	<b>-</b>	<b>-</b>	<b>(27,151)</b>	<b>(73,090)</b>	<b>1,136</b>	<b>(9,379)</b>	<b>(221)</b>	<b>(1,385)</b>	<b>729</b>	<b>-</b>	<b>(82,210)</b>	<b>(223,763)</b>	<b>162,787</b>	<b>-</b>	<b>162,787</b>	<b>(60,976)</b>

The accompanying notes form an integral part of the financial statements

## Statement Of Changes In Funds

*For the financial year ended 31 March 2010*

	Note	Unrestricted Funds \$	Restricted Funds \$	Total Funds \$
<i>As at 1 April 2008</i>		4,055,338	188,273	4,243,611
(Deficit)/Surplus for the financial year		<u>(223,763)</u>	<u>162,787</u>	<u>(60,976)</u>
<i>As at 31 March 2009</i>	13	3,831,575	351,060	4,182,635
Surplus for the financial year		<u>1,040,561</u>	<u>354,119</u>	<u>1,394,680</u>
<i>As at 31 March 2010</i>	13	<b><u>4,872,136</u></b>	<b><u>705,179</u></b>	<b><u>5,577,315</u></b>

*The accompanying notes form an integral part of the financial statements*

## Statement of Cash Flows

For the financial year ended 31 March 2010

	Note	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Surplus/(Deficit) for the financial year		1,394,680	(60,976)
<b>Adjustments for:</b>			
Amortisation of Deferred Capital Grants		(396,663)	(421,505)
Interest income received		(12,607)	(21,308)
Depreciation of property, plant and equipment		504,266	531,324
Loss on disposal of property, plant and equipment		-	13,974
<b>Operating cash flows before working capital changes</b>		<b>1,489,676</b>	<b>41,509</b>
Decrease in inventories		1,220	3,167
(Increase)/Decrease in trade and other receivables		(81,515)	121,221
Increase/(Decrease) in trade and other payables		397,769	(13,813)
<b>Net cash flows from operating activities</b>		<b>1,807,150</b>	<b>152,084</b>
<b>Cash flows from investing activities</b>			
Grants received		512,074	62,014
Interest income received		12,607	21,308
Purchase of property, plant and equipment		(914,166)	(167,065)
<b>Net cash flows used in investing activities</b>		<b>(389,485)</b>	<b>(83,743)</b>
Net increase in cash and cash equivalents		1,417,665	68,341
Cash and cash equivalents at the beginning of the financial year		3,512,015	3,443,674
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>10</b>	<b>4,929,680</b>	<b>3,512,015</b>

The accompanying notes form an integral part of the financial statements

## Notes To The Financial Statements

*For the financial year ended 31 March 2010*

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

### 1 GENERAL

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

The Association is set up to provide model medical care and community welfare services at their centres so that their beneficiaries can lead happy, independent, dignified and fulfilling lives. The Association is an approved charity under Charities Act, Cap. 37 and has been accorded the status of an Institution of Public Character ("IPC") for the period from 2 May 2005 to 1 May 2010. The Charity registration number is O1082.

The financial statements of the Association for the financial year ended 31 March 2010 were authorised for issue in accordance with a resolution of the Management Committee on 12 August 2010.

### 2 MANAGEMENT COMMITTEE

For the financial year under review, the members of the Management Committee were as follows:

Ven Shi Fa Zhao	- President
Ven Shi Pu Rui	- First Vice President
Tan Ming Yong	- Second Vice President
Tan Yen Kee	- Honorary Secretary
Khua Kian Kheng, Ivan	- Assistant Honorary Secretary
Woo Khai San, Victor	- Honorary Treasurer
Lim Yew Si	- Assistant Honorary Treasurer
Helen Tan	- Committee Member
Lim Chin	- Committee Member
Ngiam Kee Yuan	- Committee Member
Poh Yong Meng, Stephen	- Committee Member
Tan Wui Kiang, Kevin	- Committee Member
Tay Khin Sian, Anthony	- Committee Member
Tsang Siu For, Thomas	- Committee Member
Yeong Wai Chee, Raymond	- Committee Member

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Societies Act, (Chapter 311), Charities Act, (Chapter 37), Recommended Accounting Practice 6 and Singapore Financial Reporting Standards ("FRS").

The Association has applied RAP 6 for the presentation of the Statement of Financial Activities which differs from FRS 1 presentation of Statement of Comprehensive Income.

The financial statements are prepared under the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. All these judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant accounting policy that requires management's judgement in its application that has the most significant effect on the financial statements is in respect of management's decision on the estimated useful lives of property, plant and equipment which is disclosed in Note 3.5.

The financial statements are expressed in Singapore Dollars ("SGD or S\$").

The accounting policies have been consistently applied by the Association and are consistent with those used in the previous financial year.

### 3.2 Changes in accounting policies

On 1 April 2009, the Association adopted the new or amended FRS and Interpretations to FRS ("INTFRS") that are mandatory for application from that date. Changes to the Association's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INTFRS.

The following are the new or revised FRS and INTFRS that are relevant to the Association:

- **FRS 1 Presentation of Financial Statements – Revised presentation**

The revised standard requires an entity to present, in a statement of changes in funds, all owner changes in funds. All non-owner changes in funds (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in funds. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Association's financial position or results.

- **Amendments to FRS 107 Financial Instruments: Disclosures**

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires the disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Association.

### 3.3 New or revised accounting standards and interpretations

The Association has not earlier adopted certain new standards, amendments and interpretations to existing standards which have been published and are mandatory for the Association's accounting policies beginning 1 April 2010 or later periods.

The management expects that the adoption of the new or revised accounting standards and interpretations will have no material impact on the financial statements in the period of initial application.

### 3.4 Functional currency

The management has determined the currency of the primary economic environment in which the Association operates i.e. functional currency, to be SGD. Donation received, sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

### 3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. The costs of property, plant and equipment initially recognised include its purchase price and any directly attributable costs of bringing the property, plant and equipment to working condition for its intended use. Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities when incurred.

Depreciation is calculated on a straight-line method over their estimated useful lives as follows:

Building	50 years
Furniture and equipment	5 years
Computers	3 years
Physio/medical equipment	5 years
Motor vehicles	5 years
Renovation	15 years
Alarm and security system	5 years

Renovation work in progress is stated at cost. Expenditure relating to renovation (including interest expense) are capitalised when incurred. Depreciation will commence when the renovation is completed.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of fixed assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of financial activities in the year the property, plant and equipment is derecognised.

### 3.6 Impairment of non-financial assets

The carrying amounts of the Association's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the statement of financial activities whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss is only revised to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. All reversals of impairment are recognised in the statement of financial activities.

### 3.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling price has declined. Cost includes all costs of purchase, costs of conversion and other cost incurred in bringing the inventories to their present location and condition.

### 3.8 Financial assets

#### Loans and receivables

Financial assets are recognised on the statement of financial position when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus transaction costs.

All regular purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Association commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at a amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in the statement of financial activities when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Association classifies the following financial assets as loans and receivables:

- cash and cash equivalents
- trade and other receivables
- fixed deposits

#### Held to Maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Association has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at a amortised cost using the effective interest method. Gains and losses are recognised in the statement of financial activities when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

### 3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Cash carried in the statement of financial position is classified and accounted for as loans and receivables under FRS 39.



### 3.10 Impairment of financial assets

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

If there is objective evidence that an impairment loss on loans and receivables carried at a amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the statement of financial activities.

When the financial asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance amount, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial asset has been incurred, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of financial activities, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

### 3.11 Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of financial activities.

### 3.12 Financial liabilities

Financial liabilities include trade and other payables, which are normally settled on 30-90 days terms and payables to related parties. Financial liabilities are recognised on the statement of financial position when the Association becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at a fair value of consideration received less a attributable transaction costs and subsequently measured at a amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised and through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

### 3.13 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 management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes.

### 3.14 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 3.15 Operating leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the lease term, are classified as operating leases.

Operating lease payments are charged 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.

### 3.16 Employee benefits

#### (a) Defined contribution plan

As required by law, the Association makes contributions to the state pension scheme, the Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

#### (b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they are accrued to employees.

### 3.17 Incoming resources recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured.

#### (a) Donations and corporate sponsorship

Revenue from donations of individuals and corporate sponsorship are accounted for when received, except for committed donations and corporate cash sponsorship that are recorded when the commitments are signed.

#### (b) Fees

Revenue received from fees is recognised on an accrual basis.

#### (c) Sale of items

Revenue from sale of items is recognised when the items have been delivered to the customers and the customers have accepted the items and collectibility of the related receivables is reasonably assured.

#### (d) Interest income and investment income

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

### 3.18 Resources expended

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

#### (a) Allocation of HQ costs

HQ costs comprise staff costs relating to general management, human resource and administration, finance and IT costs which have been allocated to charitable activities on a fair basis.

#### (b) Cost of generating funds from fund-raising activities

These costs are directly attributable to the fund-raising activities, separate from those costs incurred in undertaking charitable activities. These costs are fully met by contributions in the form of cash sponsorship and grants.

#### (c) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Association. The total costs of charitable expenditure include an apportionment of overhead and shared costs.

### 3.19 Grants

A grant is recognised at fair value when there is reasonable assurance that conditions attaching to it will be complied with and that the grant will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant assets by annual amount installments.

## 4 RELATED PARTY TRANSACTION

A related party includes the trustees/office bearers and key management of the Association. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the executive director, deputy executive director and the direct reporting senior officers.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from the Association for which they are responsible, or from institutions connected with the Association.

### (a) Significant related party transactions

	2010 \$	2009 \$
<b>Metta School</b>		
Expenses billed to Metta School	(5,730)	(14,922)
Expenses billed from Metta School	<u>95,880</u>	<u>19,075</u>

During the financial year, the Association charged expenses amounting to \$5,730 (2009: \$14,922) to Metta School and was charged expenses amounting to \$95,880 (2009: \$19,075) by Metta School. As at 31 March 2010, the Association has receivable of \$360 (2009: \$5,056) from and payable of \$47,613 (2009: \$72,396) to Metta School.

	2010 \$	2009 \$
<b>Happy Arts Enterprise Ltd</b>		
Expenses billed to Happy Arts Enterprise Ltd	(75,369)	(122,752)
Expenses billed from Happy Arts Enterprise Ltd	<u>129,597</u>	<u>138,832</u>

During the financial year, the Association charged expenses amounting to \$75,369 (2009: \$122,752) to Happy Arts Enterprise Ltd and was charged expenses amounting to \$129,597 (2009: \$138,832) by Happy Arts Enterprise Ltd. As at 31 March 2010, the Association has receivable of \$26,048 (2009: \$16,500) from and payable of \$24,115 (2009: \$30,131) to Happy Arts Enterprise Ltd.

	2010 \$	2009 \$
<b>Buddha Tooth Relic Temple Singapore</b>		
Expenses billed to Buddha Tooth Relic Temple Singapore	(5,878)	(28,095)
Expenses billed from Buddha Tooth Relic Temple Singapore	<u>15,997</u>	<u>24,241</u>

During the financial year, the Association charged expenses amounting to \$5,878 (2009: \$28,095) to Buddha Tooth Relic Temple Singapore and was charged expenses amounting to \$15,997 (2009: \$24,241) by Buddha Tooth Relic Temple Singapore. As at 31 March 2010, the Association has receivable of NIL (2009: \$3,843) from and payable of \$4,519 (2009: \$6,768) to Buddha Tooth Relic Temple Singapore.

### (b) Key management personnel

	2010 \$	2009 \$
Salaries, honorariums and other employee benefits	<u>496,260</u>	<u>511,778</u>

Number of key management in remuneration bands:

	2010	2009
Above \$100,000	1	1
\$50,000 to \$100,000	5	4
Below \$50,000	<u>1</u>	<u>4</u>

## 5 PROPERTY, PLANT AND EQUIPMENT

	Building	Furniture & Equipment	Computers	Physio/Medical Equipment	Motor Vehicles	Renovation Work in Progress	Renovation	Alarm and Security System	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>									
As at 1 April 2008	15,427,304	1,041,961	209,737	67,104	507,650	-	553,241	1,975	17,808,972
Additions	-	68,932	20,608	11,850	39,463	-	12,200	14,012	167,065
Disposals	-	(29,230)	(660)	-	-	-	-	-	(29,890)
As at 31 March 2009	15,427,304	1,081,663	229,685	78,954	547,113	-	565,441	15,987	17,946,147
Additions	-	16,331	46,657	11,917	-	839,261	-	-	914,166
Disposals	-	(4,790)	(19,523)	-	-	-	-	-	(24,313)
As at 31 March 2010	15,427,304	1,093,204	256,819	90,871	547,113	839,261	565,441	15,987	18,836,000
<b>Accumulated depreciation</b>									
As at 1 April 2008	1,782,696	717,276	202,598	37,432	348,181	-	323,412	230	3,411,825
Charge for the year	306,465	115,754	7,470	8,885	66,019	-	25,402	1,329	531,324
Disposals	-	(1,990)	(660)	-	-	-	-	-	(2,650)
As at 31 March 2009	2,089,161	831,040	209,408	46,317	414,200	-	348,814	1,559	3,940,499
Charge for the year	306,465	105,096	9,413	9,925	44,490	-	25,680	3,197	504,266
Disposals	-	(4,790)	(19,523)	-	-	-	-	-	(24,313)
As at 31 March 2010	2,395,626	931,346	199,298	56,242	458,690	-	374,494	4,756	4,420,452
<b>Net carrying amount:</b>									
Net book value as at 31 March 2009	13,338,143	250,623	20,277	32,637	132,913	-	216,627	14,428	14,005,648
<b>NET BOOK VALUE AS AT 31 MARCH 2010</b>	<b>13,031,678</b>	<b>161,858</b>	<b>57,521</b>	<b>34,629</b>	<b>88,423</b>	<b>839,261</b>	<b>190,947</b>	<b>11,231</b>	<b>14,415,548</b>

## 6 INVESTMENT SECURITIES - HELD TO MATURITY

This amount represents investment in long-term bonds and notes (maturing 2010 and 2011 respectively).

	2010 \$	2009 \$
<b>At cost</b>		
Non-current:		
Notes with variable interest of 3.75% (Quoted)	200,000	200,000
Government Bonds with fixed interest of 4.81% (Quoted)	-	250,000
Current:		
Government Bonds with fixed interest of 4.81% (Quoted)	250,000	-
	<u>450,000</u>	<u>450,000</u>

Market values for bonds and notes are as follows:

	2010 \$	2009 \$
Non-current:		
Notes with variable interest of 3.75%	192,480	186,500
Government Bonds with fixed interest of 4.81% (Quoted)	-	258,840
Current:		
Government Bonds with fixed interest of 4.81% (Quoted)	252,977	-
	<u>445,457</u>	<u>445,340</u>

The bonds and notes were valued on 26 February 2010 (2009: 31 March 2009) and 18 March 2010 (2009: 26 March 2009) respectively.

If the class of held-to-maturity investments is tainted, the fair value as at 31 March 2010 would decrease by \$4,543 (2009: decrease of \$4,660) with a corresponding entry in general fund.

There were no disposals or allowance for impairment for investment securities – held to maturity.

Investment securities held to maturity are denominated in Singapore Dollars.

## 7 FIXED DEPOSITS

Interest on non-current fixed deposit is earned at a variable rate of 4% per annum. The fixed deposit matures in 2011.

Fixed deposits are denominated in Singapore Dollars.

## 8 INVENTORIES

	2010 \$	2009 \$
Finished goods for re-sale, at cost	<u>9,802</u>	<u>11,022</u>

## 9 TRADE AND OTHER RECEIVABLES

	2010 \$	2009 \$
<b>Trade receivables</b>		
Outside parties	31,317	54,203
Fee in arrears	19,102	19,711
	<u>50,419</u>	<u>73,914</u>
<b>Other receivables</b>		
Related parties (Note 4)	26,408	25,399
Deposits	204,971	140,730
Prepayments	29,992	26,054
Government grant receivable	215,978	180,156
	<u>477,349</u>	<u>372,339</u>
	<u>527,768</u>	<u>446,253</u>
Total trade and other receivables (excluding prepayment)	497,776	420,199
Add: Cash and cash equivalents (Note 10)	4,929,680	3,512,015
Add: Fixed deposits (Note 7)	180,000	180,000
Total loans and receivables	<u>5,607,456</u>	<u>4,112,214</u>

### *Related party balances*

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

### *Receivables that are past due but not impaired*

The Association has NIL (2009: NIL) trade receivables that are past due at the statement of financial position but not impaired.

### *Receivables that are impaired*

The Association has NIL (2009: NIL) trade receivables that are impaired at the statement of financial position date. Trade and other receivables are denominated in Singapore Dollars.

## 10 CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Cash in hand	10,300	10,600
Cash at banks	3,817,180	2,299,703
Fixed deposits	1,102,200	1,201,712
	<u>4,929,680</u>	<u>3,512,015</u>

Interest on fixed deposits earned at rates ranging from 0.1% to 0.2% (2009: 1.0% to 1.8%) per annum.

Short-term bank deposits at the statement of financial position date have maturity of 1 month from the end of the financial year.

An amount of \$266,700 (2009: \$266,700) is pledged to a banker's guarantee for security deposit purposes to Singapore Land Authority.

For the purpose of statement of cash flows, cash is comprised of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollars.

## 11 TRADE AND OTHER PAYABLES

	2010 \$	2009 \$
<b>Trade payables</b>		
Outside parties	346,885	122,407
<b>Other payables</b>		
Related parties (Note 4)	76,247	109,295
Accrued operating expenses	601,528	287,992
Refundable deposits	95,835	114,487
Deferred income	86,560	175,105
	<u>860,170</u>	<u>686,879</u>
	<u>1,207,055</u>	<u>809,286</u>
Total financial liabilities carried at a mortised cost	<u>1,207,055</u>	<u>809,286</u>

Amounts due to related parties are unsecured, non-interest bearing and repayable on demand. These amounts are to be settled in cash.

Trade and other payables are denominated in Singapore Dollars.

## 12 DEFERRED CAPITAL GRANTS

	2010 \$	2009 \$
<b>Cost</b>		
At the beginning of the financial year	16,220,065	16,166,317
Received during the financial year	512,074	53,748
At end of the financial year	<u>16,732,139</u>	<u>16,220,065</u>
<b>Accumulated amortisation</b>		
At the beginning of the financial year	2,607,048	2,185,543
Amortisation	396,663	421,505
At end of the financial year	<u>3,003,711</u>	<u>2,607,048</u>
<b>Net carrying amount</b>		
Current	395,075	395,877
Non-current	13,333,353	13,217,140
	<u>13,728,428</u>	<u>13,613,017</u>
Deferred capital grants consist of:		
Grant from government	4,309,753	3,969,134
Grant from non-government	9,418,675	9,643,883
	<u>13,728,428</u>	<u>13,613,017</u>

These amounts represent government grant and donations received from individuals and private organisations for the purchase/construction of fixed assets. These amounts are taken to the Deferred Capital Grants. These grants and donations would be recognised as income over the period and in the proportion in which depreciation on these assets are charged.



13 FUNDS

	Unrestricted Funds											Restricted Funds			Total		
	General Fund	Investment Fund	Project Account Fund	Sinking Fund	Designated Funds							Subtotal for Unrestricted Funds	Education Trust Fund	Building Fund		Subtotal for Restricted Funds	
					Student Welfare Fund	Metta School Reserve	Reserve for Client Ang Pow	Client Welfare Fund	Reserve for Equipment Fund	Reserve for Medicine Fund	HIV Fund						Subtotal for Designated Funds
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Balance at 31 March 2008	1,486,316	797,680	1,187,647	205,769	234,398	120,836	13,629	3,573	1,385	4,105	-	377,926	4,055,338	188,273	-	188,273	4,243,611
Net (deficit)/surplus for the year	(114,402)	-	-	(27,151)	(73,090)	1,136	(9,379)	(221)	(1,385)	729	-	(82,210)	(223,763)	162,787	-	162,787	(60,976)
Transfer (to)/from funds	(120,978)	-	-	120,978	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2009	1,250,936	797,680	1,187,647	299,596	161,308	121,972	4,250	3,352	-	4,834	-	295,716	3,831,575	351,060	-	351,060	4,182,635
Net (deficit)/surplus for the year	1,035,797	-	-	(1,207)	(19,462)	124	415	3,588	8,854	(548)	13,000	5,971	1,040,561	-	354,119	354,119	1,394,680
Transfer (to)/from funds	(246,131)	208,353	-	37,778	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>BALANCE AT 31 MARCH 2010</b>	<b>2,040,602</b>	<b>1,006,033</b>	<b>1,187,647</b>	<b>336,167</b>	<b>141,846</b>	<b>122,096</b>	<b>4,665</b>	<b>6,940</b>	<b>8,854</b>	<b>4,286</b>	<b>13,000</b>	<b>301,687</b>	<b>4,872,136</b>	<b>351,060</b>	<b>354,119</b>	<b>705,179</b>	<b>5,577,315</b>

*Investment Fund*

Based on a resolution passed at an Extraordinary General Meeting held on 28 September 1997, 20% of annual surplus shall be transferred to the Investment Fund.

*Project Account Reserve*

The Project account reserve provides funds for the setting up of new centres and closing of existing ones.

*Sinking Fund*

The above fund has been set up for the maintenance of the building property of Metta Home for the Disabled.

*Designated Funds*

Designated funds comprise 7 separate designated funds as follows:

**(i) Student Welfare Fund**

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

**(ii) Metta School Reserve**

This reserve arose from money returned by Metta School to be held in trust by Metta Welfare Association.

**(iii) Reserve for Client Ang Pow**

Donors contribute to this reserve maintained at the Metta Home for the Disabled which pays for various living expenses incurred to benefit its clients.

**(iv) Client Welfare Fund**

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

**(v) Reserve for Equipment Fund**

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

**(vi) Reserve for Medicine Fund**

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

**(vii) HIV Fund**

This fund was established in partnership with Action for Aids to assist patients afflicted with Aids by raising funds to purchase antiretroviral drugs for these patients.

*Education Trust Fund*

The Education Trust Fund was established in 2005 to benefit special needs children between 9 and 18 years old of Metta School.

*Building Fund*

The Building Fund was established during the financial year due to opening of the 2nd Preschool centre at Punggol.

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

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

## 14 COMMITMENTS

### Capital Commitments

Capital commitments authorised but not provided for in the financial statements are as follows:

	2010 \$	2009 \$
Purchase of new computer system	40,555	-
Renovation of Metta PreSchool and Metta Home	105,111	-
	<u>145,666</u>	<u>-</u>

### Operating Lease Commitments

The Association has entered into rental leases on the premises and photocopier machines. Operating lease payments recognised in the statement of financial activities for premises and photocopier machines during the financial year amounting to \$951,809 (2009: \$1,138,566) and \$31,151 (2009: \$30,232) respectively.

Future minimum lease payments payable under non-cancellable operating leases as of 31 March are as follows:

#### (a) Premises

	2010 \$	2009 \$
Within one year	1,126,924	1,141,476
Within 2 to 5 years	-	1,141,476
	<u>1,126,924</u>	<u>2,282,952</u>

#### (b) Photocopier machines

	2010 \$	2009 \$
Within one year	31,261	32,203
Within 2 to 5 years	66,048	93,958
	<u>97,309</u>	<u>126,161</u>

## 15 INCOME TAX

The Association is a registered Charity under the Charities Act, Chapter 37 and is exempted from income tax with effect from Year of Assessment 2008.

## 16 TAX EXEMPT RECEIPTS

During the financial year, the Association issued tax-exempt receipts for donations collected amounting to \$611,137 (2009: \$503,797).

## 17 FINANCIAL INSTRUMENTS

### (a) Financial risk management objectives and policies

The main risks arising from the Association's financial instruments are credit risk, liquidity risk and interest rate risk. The Association has no foreign currency risk and market price risk. The board policies for managing these risks are summarised below.

### *Credit risk*

Credit risk is limited to risk arising from the inability of receivables to make payments when they fall due.

#### **Exposure to credit risk**

The carrying amount of trade and other receivables and cash and cash equivalents represents the Association's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk. The Association has no significant concentration of credit risk with any single counterparty.

#### **Financial assets that are neither past due nor impaired**

Trade and other receivables that are neither past due nor impaired are receivables with good payment record with the Association. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

#### **Financial assets that are either past due or impaired**

The Association has NIL (2009: Nil) financial assets that are either past due or impaired.

### *Liquidity risk*

Liquidity risk refers to the risk in which the Association is unable to meet its short term obligations and this arises due to shortage of funds.

Liquidity risk for the Association is minimal as the Association is able to meet its funding requirements through its operations.

At the statement of financial position date, the Association has non-derivative financial liabilities that are other payables amounting to \$1,207,055 (2009: \$809,286) which will mature within 1 year or less.

### *Interest rate risk*

Interest rate risk relates to interest income earned from fixed deposits. The Association's interest income is affected by fluctuations in interest rate. There are no other policies in place to mitigate the effect of this risk.

#### **Sensitivity analysis for interest rate risk**

At the statement of financial position date, if the interest rate had been 100 basis points lower/higher with all other variables held constant, the Association's surplus would have been \$12,822 (2009: \$13,817) higher/lower, arising mainly as a result of higher/lower interest income on fixed deposits.

### **(b) Fair values of financial assets and financial liabilities**

The fair value of financial assets and financial liabilities reported in the statement of financial position approximates the carrying amount of those assets and liabilities, as these are short term in nature except for investment securities - held to maturity investments. The fair value is disclosed in Note 6 to the financial statements.

The fair value of investment securities - held to maturity is determined directly by reference to the quoted market prices at the statement of financial position date.

During the financial year, no amount (2009: NIL) has been recognised in the statement of financial activities in relation to the change in fair value of financial assets or financial liabilities estimated using a valuation technique.

The Association has no fair value measurement recognised in the statement of financial position as at the date of statement of financial position.

## **18 MANAGEMENT OF RESERVES**

The Association regards its unrestricted funds excluding all building/project, endowment and sinking funds as its reserves.

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

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