



# Audited Financial Statements

For The Year Ended 31 March 2012

Unique Entity No. S94SS0081K

IPC No. IPC000269

Registered under the Registrar of Societies



慈光福利協會

METTA WELFARE ASSOCIATION

Statement by Executive Management Committee	2
Independent Auditors' Report	3
Statement of Financial Position	4
Statement of Financial Activities	5
Statement of Changes In Funds	6
Statement of Cash Flows	7
Notes to the Financial Statements	8

## Statement by Executive Management Committee

In the opinion of the Executive Management Committee,

- a) the financial statements as set out on pages 4 to 25 are drawn up so as to give a true and fair view of the state of affairs of the Association at 31 March 2012, and of the results of the financial activities, changes in funds 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 21 July 2012.

Lai Meng Wah @ Shi Fa Zhao	President
Tan Ming Yong	Vice President
Tan Yen Kee	Honorary Secretary
Khua Kian Kheng, Ivan	Assistant Honorary Secretary
Tay Khin Sian, Anthony	Honorary Treasurer
Yeong Wai Chee, Raymond	Assistant Honorary Treasurer
Tan Helen	Committee Member
Lim Yew Si	Committee Member
Neo Siow Hong	Committee Member
Ngiam Kee Yuan	Committee Member
Poh Yong Meng, Stephen	Committee Member
Tan Wui Khiang	Committee Member
Tsang Siu For, Thomas	Committee Member
Woo Khai San, Victor	Committee Member

On behalf of the Executive Management Committee,



Lai Meng Wah @ Shi Fa Zhao  
President



Tay Khin Sian, Anthony  
Honorary Treasurer

Singapore,  
21 July 2012

## Independent Auditors' Report to the Members of Metta Welfare Association

We have audited the accompanying financial statements of **Metta Welfare Association** (the "Association") set out on pages 4 to 25, which comprise the statement of financial position as at 31 March 2012, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for 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, that 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 March 2012, and the results, changes in funds and cash flows of the Association for the financial year ended on that date.

### *Report on Other Legal and Regulatory Requirements*

In our opinion, the accounting and other records required by the regulations enacted under the Singapore Companies Act (Chapter 50) and Charities Act (Chapter 37) to be kept by the Association have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Association.



**Fiducia LLP**  
Certified Public Accountants

Singapore,  
21 July 2011

## Statement of Financial Position

As at 31 March 2012

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	4	6,478,119	5,599,138
Trade and other receivables	5	752,335	580,472
Inventories		6,299	20,305
Long-term fixed deposits	6	0	180,000
Held-to-maturity investments	7	0	200,000
		<u>7,236,753</u>	<u>6,579,915</u>
<i>Non-current assets</i>			
Long-term fixed deposits	6	1,000,000	0
Property, plant and equipment	8	14,377,862	14,774,410
		<u>15,377,862</u>	<u>14,774,410</u>
<i>Total assets</i>		<u>22,614,615</u>	<u>21,354,325</u>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Trade and other payables	9	1,371,316	968,290
Deferred capital grants	10	597,655	463,198
		<u>1,968,971</u>	<u>1,431,488</u>
<i>Non-current liabilities</i>			
Deferred capital grants	10	13,349,618	13,766,482
<i>Total liabilities</i>		<u>15,318,589</u>	<u>15,197,970</u>
<b>NET ASSETS</b>		<u>7,296,026</u>	<u>6,156,355</u>
<b>FUNDS</b>			
Unrestricted:			
- General fund		3,391,271	2,570,508
- Investment fund	11	1,378,001	1,149,153
- Project account reserve	11	1,187,647	1,187,647
- Sinking fund	11	231,771	268,271
- Designated fund	11	382,829	324,768
		<u>6,571,519</u>	<u>5,500,347</u>
Restricted:			
- Building fund	11	372,500	304,948
- Education trust fund	11	352,007	351,060
		<u>724,507</u>	<u>656,008</u>
<i>Total funds</i>		<u>7,296,026</u>	<u>6,156,355</u>

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

## Statement of Financial Activities

For the financial year ended 31 March 2012

	Note	Unrestricted Fund										Restricted Fund		Total	
		General	Investment Fund	Project Account Fund	Sinking Fund	Alumni Welfare Fund	Client Welfare Fund	Equipment Fund	Designated Fund			Building Fund	Education Trust Fund		
2012		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>INCOMING RESOURCES</b>															
Incoming resources from generating funds															
- Activities for generating funds	12	966,754	0	0	0	0	0	0	0	0	0	0	0	966,754	
- Voluntary income	12	7,663,617	0	0	0	122,298	5,113	0	0	1,722	99	29,072	0	947	7,822,868
Incoming resources from charitable activities	12	2,407,115	0	0	0	0	0	0	0	0	0	0	0	2,407,115	
Other incoming resources	12	156,774	0	0	0	0	0	0	0	0	0	0	0	156,774	
<b>Total incoming resources</b>		<b>11,194,260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>122,298</b>	<b>5,113</b>	<b>0</b>	<b>0</b>	<b>1,722</b>	<b>99</b>	<b>29,072</b>	<b>0</b>	<b>947</b>	<b>11,353,511</b>
<b>RESOURCES EXPENDED</b>															
Cost of generating funds	13	723,474	0	0	0	85,840	1,051	4,623	0	0	0	8,729	371	0	824,088
Cost of charitable activities	13	9,257,395	0	0	0	0	0	0	0	0	0	0	0	0	9,257,395
Governance and other administrative costs	13	127,787	0	0	0	0	0	0	0	0	0	0	0	0	127,787
<b>Total resources expended</b>		<b>10,108,656</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85,840</b>	<b>1,051</b>	<b>4,623</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,729</b>	<b>371</b>	<b>0</b>	<b>10,209,270</b>
<b>NET INCOMING (EXPENDED) RESOURCES</b>		<b>1,085,604</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,458</b>	<b>4,062</b>	<b>(4,623)</b>	<b>0</b>	<b>1,722</b>	<b>99</b>	<b>20,343</b>	<b>(371)</b>	<b>947</b>	<b>1,144,241</b>
<b>2011</b>															
<b>INCOMING RESOURCES</b>															
Incoming resources from generating funds															
- Activities for generating funds	12	1,198,099	0	0	0	0	0	0	0	0	0	0	0	0	1,198,099
- Voluntary income	12	5,923,302	0	0	0	34,000	6,230	12,122	0	418	(211)	50,035	436,301	0	6,462,197
Incoming resources from charitable activities	12	1,954,282	0	0	0	0	0	0	0	0	0	0	0	0	1,954,282
Other incoming resources	12	110,104	0	0	0	0	0	0	0	0	0	0	0	0	110,104
<b>Total incoming resources</b>		<b>9,185,787</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,000</b>	<b>6,230</b>	<b>12,122</b>	<b>0</b>	<b>418</b>	<b>(211)</b>	<b>50,035</b>	<b>436,301</b>	<b>0</b>	<b>9,724,682</b>
<b>RESOURCES EXPENDED</b>															
Cost of generating funds	13	443,816	0	0	0	40,765	8,930	0	0	150	0	70,432	485,472	0	1,049,565
Cost of charitable activities	13	7,821,546	0	0	0	0	0	0	0	0	0	0	0	0	7,821,546
Governance and other administrative costs	13	138,171	0	0	0	0	0	0	0	0	0	0	0	0	138,171
<b>Total resources expended</b>		<b>8,403,533</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,765</b>	<b>8,930</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>70,432</b>	<b>485,472</b>	<b>0</b>	<b>9,009,282</b>
<b>NET INCOMING (EXPENDED) RESOURCES</b>		<b>782,254</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,765)</b>	<b>(2,700)</b>	<b>12,122</b>	<b>0</b>	<b>268</b>	<b>(211)</b>	<b>(20,397)</b>	<b>(49,171)</b>	<b>0</b>	<b>715,400</b>

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

**Statement of Changes In Funds**  
 For the financial year ended 31 March 2012

	Unrestricted Fund												Restricted Fund			Total Funds	
	General Fund	Investment Fund	Project Account Fund	Designated Fund							Total Designated Fund	Total Unrestricted Fund	Building Fund	Education Trust Fund	Total Restricted Fund		
				Sinking Fund	Alumni Welfare Fund	Client Welfare Fund	Equipment Fund	HIV Fund	Medicine Fund	Metta School Reserve							Student Welfare Fund
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>2012</b>																	
<i>Balance as at 1 April</i>	2,570,508	1,149,153	1,187,647	268,271	34,000	8,905	20,976	13,000	4,554	121,884	121,449	324,768	5,500,347	304,948	351,060	656,008	6,156,355
Net incoming (expended) resources	1,085,604	0	0	0	36,458	4,062	(4,623)	0	1,722	99	20,343	58,061	1,143,665	(371)	947	576	1,144,241
Transfers	(264,841)	228,848	0	35,622	0	0	0	0	0	0	0	0	(371)	371	0	371	0
Capitalisation of major renovation (Note 10)	0	0	0	(72,122)	0	0	0	0	0	0	0	0	(72,122)	67,552	0	67,552	(4,570)
<b>Balance as at 31 March</b>	<b>3,391,271</b>	<b>1,378,001</b>	<b>1,187,647</b>	<b>231,771</b>	<b>70,458</b>	<b>12,967</b>	<b>16,353</b>	<b>13,000</b>	<b>6,276</b>	<b>121,983</b>	<b>141,792</b>	<b>382,829</b>	<b>6,571,519</b>	<b>372,500</b>	<b>352,007</b>	<b>724,507</b>	<b>7,296,026</b>
<b>2011</b>																	
<i>Balance as at 1 April</i>	2,040,604	1,006,033	1,187,647	336,166	0	11,605	8,854	13,000	4,286	122,095	141,846	301,686	4,872,136	354,119	351,060	705,179	5,577,315
Net incoming (expended) resources	782,254	0	0	0	(6,765)	(2,700)	12,122	0	268	(211)	(20,397)	(17,683)	764,571	(49,171)	0	(49,171)	715,400
Transfers	(252,350)	143,120	0	68,465	40,765	0	0	0	0	0	0	40,765	0	0	0	0	0
Capitalisation of major renovation (Note 10)	0	0	0	(136,360)	0	0	0	0	0	0	0	0	(136,360)	0	0	0	(136,360)
<b>Balance as at 31 March</b>	<b>2,570,508</b>	<b>1,149,153</b>	<b>1,187,647</b>	<b>268,271</b>	<b>34,000</b>	<b>8,905</b>	<b>20,976</b>	<b>13,000</b>	<b>4,554</b>	<b>121,884</b>	<b>121,449</b>	<b>324,768</b>	<b>5,500,347</b>	<b>304,948</b>	<b>351,060</b>	<b>656,008</b>	<b>6,156,355</b>

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



## Statement of Cash Flows

For the financial year ended 31 March 2012

	Note	2012 \$	2011 \$
<b>Cash flows from operating activities</b>			
Net incoming resources		1,144,241	715,400
Adjustments for:			
- Amortisation of deferred capital grant	10	(603,801)	(400,016)
- Depreciation	8	755,136	518,405
- Interest income	12	(12,185)	(15,282)
- Loss on disposal of property, plant and equipment		1,257	517
- Property, plant and equipment expensed	8	15,797	0
Operating cash flow before working capital changes		1,300,445	819,024
Changes in operating assets and liabilities:			
- Trade and other receivables		(171,863)	(77,179)
- Inventories		14,006	(10,503)
- Trade and other payables		403,026	(214,290)
Cash generated from operations		1,545,614	517,052
Interest received		4,175	7,063
<b>Interest received</b>		<b>1,549,789</b>	<b>524,115</b>
<b>Cash flows from investing activities</b>			
Interest received		8,010	8,219
Placement of investment		(1,000,000)	0
Proceeds from disposal of property, plant and equipment		900	0
Proceeds from termination of investment		380,000	250,000
Purchases of property, plant and equipment	8	(376,542)	(877,784)
<b>Net cash provided by operating activities</b>		<b>(987,632)</b>	<b>(619,565)</b>
<b>Cash flows from financing activities</b>			
Grants received	10	316,824	764,908
<b>Net increase in cash and cash equivalents</b>		<b>878,981</b>	<b>669,458</b>
Cash and cash equivalents at beginning of financial year		5,599,138	4,929,680
<b>Cash and cash equivalents at end of financial year</b>		<b>6,478,119</b>	<b>5,599,138</b>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand	4	9,800	9,800
Cash in banks	4	4,143,674	3,786,045
Fixed deposits	4	2,324,645	1,803,293
		6,478,119	5,599,138

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

## Notes to the Financial Statements

For the financial year ended 31 March 2012

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. The registered office and principal place of operation of the Association is located at Block 32, Simei Street 1, Metta Building, Singapore 529950.

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

The Association is registered as a charity 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 from 2 May 2010 to 1 May 2013.

The Association is composed of nine (9) welfare centres as follows:

- 1) Metta Home for the Disabled
- 2) Metta Home Day Activity Centre
- 3) Metta Day Activity Centre for the Intellectually Disabled
- 4) Metta Day Rehabilitation Centre for the Elderly
- 5) Metta Hospice Care Centre
- 6) Metta Preschool@Simei
- 7) Metta Preschool@Punggol
- 8) South East CDC-Metta Student Care Centre
- 9) Metta Headquarters

These financial statements are presented in Singapore Dollar, which is the Association’s functional currency.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard (“FRS”) and the disclosure requirements of the Recommended Accounting Practice 6. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.



## 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.1 Interpretations and amendments to published standards effective in 2011

The Association has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Association's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the FRS and INT FRS that are relevant to the Association:

FRS	Effective Date	Title
FRS 1	1.1.2009	Presentation of financial statements
FRS 2	1.1.2009	Inventories
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 16	1.1.2009	Property, plant and equipment
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2009	Employee benefits
FRS 20	1.1.2005	Accounting for government grants and disclosure of government assistance
FRS 24	1.1.2006	Related party disclosures
FRS 32	1.2.2007	Financial instruments: Presentation
FRS 32	1.2.2009	Financial instruments: Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: recognition and measurement
FRS 107	1.1.2009	Financial instruments: Disclosures

The adoption of the above revised FRS did not result in any substantial changes to the Association's accounting policies.

### 2.2 Income recognition

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

- 2.2.1 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.
- 2.2.2 Government grants are recognized at their fair value where there is reasonable assurance that the grants will be received and all related conditions will be complied with.  
  
Government grants relating to assets are recognised as deferred capital grant and is amortised over the estimated useful life of the relevant asset.
- 2.2.3 Income from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.
- 2.2.4 Management fees are allocated costs comprised of: general management; human resource and administration; finance costs; and IT costs which are allocated among the welfare centres on a basis determined by the Executive Management Committee.
- 2.2.5 Interest income on bank current accounts and fixed deposits placed with banks are recognized on a time-proportion basis using the effective interest method.
- 2.2.6 Other income is recognized when incurred.

## 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.3 Cost recognition

#### 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 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 Property, plant and equipment

#### 2.4.1 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.

#### 2.4.2 Depreciation

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

	Useful lives
Alarm and security system	5 years
Arts and music equipment	5 years
Building	50 years
Computer	3 years
Electrical and fittings	5 years
Furniture and equipment	5 years
Laundry equipment	5 years
Motor vehicles	5 years
Physio/medical equipment	5 years
Renovation	15 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

## 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.4 Property, plant and equipment (Cont'd)

#### 2.4.3 Subsequent expenditure

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. 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.

#### 2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

### 2.5 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

### 2.6 Financial assets

#### 2.6.1 Classification

The Association classifies its financial assets in the following category: loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "Long-term fixed deposits", "Trade and other receivables" and "Cash and cash equivalents" on the statement of financial position.

##### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Executive Management Committee has the positive intention and ability to hold to maturity. If the Association were to sell other than an insignificant amount of held-to-maturity investments, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date, which are presented as current assets.

## 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.6 Financial assets (Cont'd)

#### 2.6.2 Recognition and derecognition

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

#### 2.6.3 Measurement

Financial assets are initially recognized at fair value plus transaction costs. Loans and receivables and held-to-maturity investments are subsequently carried at amortized cost using effective interest method.

#### 2.6.4 Impairment

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

#### **Loans and receivables and Held-to-maturity investments**

An allowance for impairment of loans and receivables and held-to-maturity investments including other receivables, is recognized when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables and investments. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognized in the statement of financial activities.

### 2.7 Inventories

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

### 2.8 Cash and cash equivalents

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

### 2.9 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 expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

### 2.10 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

## 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.11 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.

### 2.12 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

### 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 utilized 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 Leases

#### **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 recognized as an expense in the period in which termination takes place.

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

### 2.15 Employee compensation

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.

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

### 2.16 Related parties

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

### 3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical judgments in applying the entity's accounting policies**

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position 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.

#### ***Estimated useful lives of property, plant and equipment***

The Association reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

#### ***Impairment of property, plant and equipment***

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

#### ***Allowance for impairment of receivables***

The Association reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual client. If there are indications that the financial position of a client has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

### 4 CASH AND CASH EQUIVALENTS

	2012	2011
	\$	\$
Cash on hand	9,800	9,800
Cash in banks	4,143,674	3,786,045
Fixed deposits	2,324,645	1,803,293
	<u>6,478,119</u>	<u>5,599,138</u>

Fixed deposits mature within 1 month to 1 year and bear interest ranging from 0.05% to 0.20% (FY2011: 0.10%) per annum.

Cash equivalents amounting to \$185,100 (FY2011: \$185,100) is pledged against the Banker's Guarantee in compliance to the tenancy agreement with Singapore Land Authority.

At the statement of financial position date, the carrying amounts of cash and cash equivalents approximated their fair values.

## 5 TRADE AND OTHER RECEIVABLES

	Note	2012 \$	2011 \$
Trade receivables:			
- Outside parties		93,273	95,519
- Fees in arrears		0	600
- Allowance for bad debts – Trade receivables		(58,350)	(59,800)
		<u>34,923</u>	<u>36,319</u>
Other receivables:			
- Amount due from related parties	16	164,289	114,975
- Deposits paid		145,620	140,246
- Grant receivable		271,073	181,712
- Other debtors		108,269	79,315
- Prepayments		28,161	27,905
		<u>752,335</u>	<u>580,472</u>

At the statement of financial position date, the carrying amounts of trade and other receivables approximated their fair values.

## 6 LONG-TERM FIXED DEPOSITS

Long-term fixed deposits are placed on 29 May 2006 and will mature on 23 May 2011 with interest of 4% per annum.

In FY2012, a long-term fixed deposit is placed on 21 June 2011 and will mature on 21 June 2013 with interest of 0.67% per annum.

## 7 HELD-TO-MATURITY INVESTMENTS

	2012 \$	2011 \$
Notes	0	200,000
Government bonds	0	0
	<u>0</u>	<u>0</u>
<i>Carrying amount – At cost</i>		
Current	0	200,000
Non-current	0	0
	<u>0</u>	<u>200,000</u>
<i>Market values</i>		
Notes	0	197,680
Government bonds	0	0
	<u>0</u>	<u>197,680</u>

The note is placed on 25 August 2003 and matured on 25 August 2011 with interest of 3.75% per annum.

The government bonds have interest of 4.81% per annum.



8 PROPERTY, PLANT AND EQUIPMENT

	Note	Alarm and security system	Arts and music equipment	Building	Computer	Electrical and fittings	Furniture and equipment	Laundry equipment	Motor vehicles	Physio/medical equipment	Renovation	Renovation in progress	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2012</b>													
<i>Cost</i>													
Beginning of financial year		26,363	5,392	15,427,304	420,133	0	1,180,789	0	594,540	91,181	1,128,354	827,439	19,701,495
Additions		50,556	673	0	37,009	84,680	73,065	58,407	50,770	13,252	8,130	0	376,542
Disposal / Write-off		0	0	0	(6,628)	0	(50,157)	0	(38,000)	0	0	(15,797)	(110,582)
Transfers		67,346	0	0	0	0	180,025	0	0	30,848	533,423	(811,642)	0
End of financial year		144,265	6,065	15,427,304	450,514	84,680	1,383,722	58,407	607,310	135,281	1,669,907	0	19,967,455
<i>Accumulated depreciation</i>													
Beginning of financial year		9,163	90	2,702,092	225,800	0	1,016,691	0	499,993	66,383	406,873	0	4,927,085
Depreciation charge	13	26,859	1,180	306,465	84,255	15,525	114,060	973	46,053	18,358	141,408	0	755,136
Disposal		0	0	0	(6,628)	0	(48,000)	0	(38,000)	0	0	0	(92,628)
End of financial year		36,022	1,270	3,008,557	303,427	15,525	1,082,751	973	508,046	84,741	548,281	0	5,589,593
<i>Net book value at end of financial year</i>		108,243	4,795	12,418,747	147,087	69,155	300,971	57,434	99,264	50,540	1,121,626	0	14,377,862
<b>2011</b>													
<i>Cost</i>													
Beginning of financial year		15,987	0	15,427,304	256,819	0	1,093,204	90,871	547,113	0	565,441	839,261	18,836,000
Additions		10,376	5,392	0	172,733	0	88,385	2,380	47,427	0	0	551,091	877,784
Disposal		0	0	0	(9,419)	0	(800)	(2,070)	0	0	0	0	(12,289)
Transfers		0	0	0	0	0	0	0	0	562,913	(562,913)	0	0
End of financial year		26,363	5,392	15,427,304	420,133	0	1,180,789	91,181	594,540	1,128,354	827,439	0	19,701,495
<i>Accumulated depreciation</i>													
Beginning of financial year		4,756	0	2,395,626	199,298	0	931,346	56,242	458,690	374,494	0	0	4,420,452
Depreciation charge	13	4,407	90	306,466	35,921	0	86,145	11,694	41,303	32,379	0	0	518,405
Disposal		0	0	0	(9,419)	0	(800)	(1,553)	0	0	0	0	(11,772)
End of financial year		9,163	90	2,702,092	225,800	0	1,016,691	66,383	499,993	406,873	0	0	4,927,085
<i>Net book value at end of financial year</i>		17,200	5,302	12,725,212	194,333	0	164,098	24,798	94,547	721,481	827,439	0	14,774,410

In FY2012, renovation in progress amounting to S\$15,797 was written off and charged under Property, plant and equipment expensed.

## 9 TRADE AND OTHER PAYABLES

	Note	2012 \$	2011 \$
Trade payables:			
- Outside parties		173,597	161,379
Other payables			
- Amount due to related parties	16	339	837
- Accruals		898,428	602,460
- Deferred income		172,489	76,795
- Deposits received		80,472	118,042
- Other creditor		1,248	5,910
- Pre-event costs		44,743	2,867
		<u>1,371,316</u>	<u>968,290</u>

At the statement of financial position date, the carrying amounts of trade and other payables approximated their fair values.

## 10 DEFERRED CAPITAL GRANTS

	Note	2012 \$	2011 \$
<b>Cost</b>			
Beginning of financial year		17,633,407	16,732,139
Received during the year		316,824	764,908
Capitalisation of major renovation		4,570	136,360
End of financial year		<u>17,954,801</u>	<u>17,633,407</u>
<b>Accumulated amortisation</b>			
Beginning of financial year		3,403,727	3,003,711
Amortisation for the year	12	603,801	400,016
End of financial year		<u>4,007,528</u>	<u>3,403,727</u>
<b>Net carrying amount at end of financial year</b>			
Current		597,655	463,198
Non-current		13,349,618	13,766,482
		<u>13,947,273</u>	<u>14,229,680</u>
<b>Comprised of:</b>			
- Government grants		4,815,930	4,838,418
- Non-government grants		9,131,343	9,391,262
		<u>13,947,273</u>	<u>14,229,680</u>

These amounts represent government grants and donations received from individuals and private organisations for the purchase and/or construction of property, plant and equipment. These grants and donations are amortized and recognized as income in proportion to the depreciation of the related property, plant and equipment.

## 11 FUNDS

### (A) *Investment fund*

In a meeting held on 28 September 1997, the Executive Management Committee resolved that 20% of the annual surplus should be transferred to this fund.

### (B) *Project account reserve*

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

### (C) *Sinking fund*

This fund is for maintenance of the building property of Metta Building and Metta Home for the Disabled.

### (D) *Designated fund*

This fund is composed of the following:

- (a) **Alumni welfare fund**  
This fund is to support Happy Arts Enterprise Ltd.'s training programs and other alumni related expenses.
- (b) **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.
- (c) **Equipment fund**  
This fund is used to purchase electrical appliances and exercise equipment for the clients of Metta Day Rehabilitation Centre for the Elderly.
- (d) **HIV fund**  
This fund is established in partnership with Action for Aids to assist patients of Metta Hospice Care Centre afflicted with Aids by raising funds to purchase antiretroviral drugs for these patients.
- (e) **Medicine fund**  
This fund helps subsidise cost of medication and other pharmaceutical expenses of the clients of Metta Hospice Care Centre.
- (f) **Metta School reserve**  
This reserve pertains to the money returned by Metta School to be held in trust by the Association.
- (g) **Student welfare fund**  
This fund is used to pay for recess meals as well as educational and recreational outings of Metta School students.

### (E) *Building fund*

This fund is for the opening of a second preschool centre at Punggol.

### (F) *Education trust fund*

This fund is for the benefit of special needs children between 9 and 18 years old of Metta School.

12 INCOMING RESOURCES

	Unrestricted Fund												Total	
	Unrestricted Fund				Designated Fund					Restricted Fund				
	General Fund	Investment Fund	Project Account Reserve	Sinking Fund	Alumni Welfare Fund	Client Welfare Fund	Equipment Fund	HIV Fund	Medicine Fund	Metta School Reserve	Student Welfare Fund	Building Fund	Education Trust Fund	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2012</b>														
<i>Activities for generating funds</i>														
Fund-raising income	828,592	0	0	0	0	0	0	0	0	0	0	0	0	828,592
Event and activity income	138,162	0	0	0	0	0	0	0	0	0	0	0	0	138,162
	<u>966,754</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>966,754</u>
<i>Voluntary income</i>														
Tax exempt donations	776,664	0	0	0	0	0	0	0	0	0	0	0	0	776,664
General donations	318,296	0	0	0	0	0	0	0	0	0	0	0	0	318,296
Designated donations	259,879	0	0	0	122,298	5,113	0	1,722	99	29,072	0	947	0	419,130
Government grants	3,980,114	0	0	0	0	0	0	0	0	0	0	0	0	3,980,114
NCSS grants	1,108,913	0	0	0	0	0	0	0	0	0	0	0	0	1,108,913
President's Challenge	330,000	0	0	0	0	0	0	0	0	0	0	0	0	330,000
Temasek Care Grant	75,000	0	0	0	0	0	0	0	0	0	0	0	0	75,000
Tote Board grants	210,950	0	0	0	0	0	0	0	0	0	0	0	0	210,950
Amortisation of deferred capital grant	603,801	0	0	0	0	0	0	0	0	0	0	0	0	603,801
	<u>7,663,617</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>122,298</u>	<u>5,113</u>	<u>0</u>	<u>1,722</u>	<u>99</u>	<u>29,072</u>	<u>0</u>	<u>947</u>	<u>0</u>	<u>7,822,868</u>
<i>Incoming resources from charitable services</i>														
Buddhist activity income	1,152,584	0	0	0	0	0	0	0	0	0	0	0	0	1,152,584
Fees received	1,176,775	0	0	0	0	0	0	0	0	0	0	0	0	1,176,775
Membership fee	2,308	0	0	0	0	0	0	0	0	0	0	0	0	2,308
Other	9,108	0	0	0	0	0	0	0	0	0	0	0	0	9,108
Transport service fee	66,340	0	0	0	0	0	0	0	0	0	0	0	0	66,340
	<u>2,407,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,407,115</u>
<i>Other incoming resources</i>														
Interest income	12,185	0	0	0	0	0	0	0	0	0	0	0	0	12,185
Management fee	83,250	0	0	0	0	0	0	0	0	0	0	0	0	83,250
Other income	61,339	0	0	0	0	0	0	0	0	0	0	0	0	61,339
	<u>156,774</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>156,774</u>

12 INCOMING RESOURCES (Cont'd)

	Unrestricted Fund			Designated Fund							Restricted Fund		Total	
	General Fund	Investment Fund	Project Account Reserve	Sinking Fund	Alumni Welfare Fund	Client Welfare Fund	Equipment Fund	HIV Fund	Medicine Fund	Metta School Reserve	Student Welfare Fund	Building Fund		Education Trust Fund
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2011</b>														
<i>Activities for generating funds</i>														
Fund-raising income	1,023,649	0	0	0	0	0	0	0	0	0	0	0	0	1,023,649
Event and activity income	174,450	0	0	0	0	0	0	0	0	0	0	0	0	174,450
	<u>1,198,099</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,198,099</u>
<i>Voluntary income</i>														
Tax exempt donations	899,113	0	0	0	0	0	0	0	0	0	0	0	0	899,113
General donations	322,646	0	0	0	0	0	0	0	0	0	0	0	0	322,646
Designated donations	245,381	0	0	0	34,000	6,230	12,122	0	418	(211)	50,035	0	0	347,975
Government grants	3,333,314	0	0	0	0	0	0	0	0	0	0	436,301	0	3,769,615
NCSS grants	697,801	0	0	0	0	0	0	0	0	0	0	0	0	697,801
Tote Board grants	25,031	0	0	0	0	0	0	0	0	0	0	0	0	25,031
Amortisation of deferred capital grant	400,016	0	0	0	0	0	0	0	0	0	0	0	0	400,016
	<u>5,923,302</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,000</u>	<u>6,230</u>	<u>12,122</u>	<u>0</u>	<u>418</u>	<u>(211)</u>	<u>50,035</u>	<u>436,301</u>	<u>0</u>	<u>6,462,197</u>
<i>Incoming resources from charitable services</i>														
Buddhist activity income	897,900	0	0	0	0	0	0	0	0	0	0	0	0	897,900
Fees received	989,820	0	0	0	0	0	0	0	0	0	0	0	0	989,820
Membership fee	480	0	0	0	0	0	0	0	0	0	0	0	0	480
Transport service fee	66,082	0	0	0	0	0	0	0	0	0	0	0	0	66,082
	<u>1,954,282</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,954,282</u>
<i>Other incoming resources</i>														
Interest income	15,282	0	0	0	0	0	0	0	0	0	0	0	0	15,282
Management fee	20,550	0	0	0	0	0	0	0	0	0	0	0	0	20,550
Other income	74,272	0	0	0	0	0	0	0	0	0	0	0	0	74,272
	<u>110,104</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110,104</u>

Donations-in-kind, mostly consumables are received during the year. However, the fair value of the assets received cannot be reasonably ascertained. Hence, the assets are not recognized in the books.

13 RESOURCES EXPENDED

	Unrestricted Fund												Total	
	General Fund	Investment Fund	Project Account Reserve	Sinking Fund	Designated Fund						Restricted Fund			
	\$	\$	\$	\$	Alumni Welfare Fund	Client Welfare Fund	Equipment Fund	HIV Fund	Medicine Fund	Metta School Reserve	Student Welfare Fund	Building Fund	Education Trust Fund	\$
<b>2012</b>														
<b>Cost of generating funds</b>														
Fund-raising expenditure	199,368	0	0	0	0	0	0	0	0	0	0	0	0	199,368
Event and activity expense	101,250	0	0	0	0	0	0	0	0	0	0	0	0	101,250
Donation expense	18,250	0	0	0	0	0	0	0	0	0	0	0	0	18,250
Designated expenses	404,605	0	0	0	85,841	1,051	4,623	0	0	0	8,729	371	0	505,220
	<u>723,473</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,841</u>	<u>1,051</u>	<u>4,623</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,729</u>	<u>371</u>	<u>0</u>	<u>824,088</u>
<b>Cost of charitable activities</b>														
Buddhist activity expense	377,561	0	0	0	0	0	0	0	0	0	0	0	0	377,561
Depreciation	755,136	0	0	0	0	0	0	0	0	0	0	0	0	755,136
Direct activity expenses														
- Meals and refreshments	62,510	0	0	0	0	0	0	0	0	0	0	0	0	62,510
- Medical and physical aids	20,794	0	0	0	0	0	0	0	0	0	0	0	0	20,794
- Medical professional fee	245,716	0	0	0	0	0	0	0	0	0	0	0	0	245,716
- Other expense	8,604	0	0	0	0	0	0	0	0	0	0	0	0	8,604
- Outings and activities	3,082	0	0	0	0	0	0	0	0	0	0	0	0	3,082
- Training and teaching materials	13,361	0	0	0	0	0	0	0	0	0	0	0	0	13,361
- Transportation	143,791	0	0	0	0	0	0	0	0	0	0	0	0	143,791
- Uniform	2,931	0	0	0	0	0	0	0	0	0	0	0	0	2,931
Public education	10,566	0	0	0	0	0	0	0	0	0	0	0	0	10,566
Rental														
- Building	1,145,188	0	0	0	0	0	0	0	0	0	0	0	0	1,145,188
- Equipment	33,231	0	0	0	0	0	0	0	0	0	0	0	0	33,231
Staff costs														
- CPF/SDL and levy	651,736	0	0	0	0	0	0	0	0	0	0	0	0	651,736
- Medical	51,180	0	0	0	0	0	0	0	0	0	0	0	0	51,180
- Salaries and bonus	4,693,971	0	0	0	0	0	0	0	0	0	0	0	0	4,693,971
- Temporary service	6,605	0	0	0	0	0	0	0	0	0	0	0	0	6,605
- Transportation	4,789	0	0	0	0	0	0	0	0	0	0	0	0	4,789
- Un-utilised leave	35,605	0	0	0	0	0	0	0	0	0	0	0	0	35,605
- Welfare and training	136,812	0	0	0	0	0	0	0	0	0	0	0	0	136,812
Upkeep, repairs and maintenance														
- Equipment	20,704	0	0	0	0	0	0	0	0	0	0	0	0	20,704
- General	148,929	0	0	0	0	0	0	0	0	0	0	0	0	148,929
- Motor vehicles	89,249	0	0	0	0	0	0	0	0	0	0	0	0	89,249
Utilities	439,461	0	0	0	0	0	0	0	0	0	0	0	0	439,461
Others														
- General expenses	18,024	0	0	0	0	0	0	0	0	0	0	0	0	18,024
- License and subscription	5,290	0	0	0	0	0	0	0	0	0	0	0	0	5,290
- Meeting expenses	8,662	0	0	0	0	0	0	0	0	0	0	0	0	8,662
- Overseas travel	1,450	0	0	0	0	0	0	0	0	0	0	0	0	1,450
- Printing, stationery and postage	47,282	0	0	0	0	0	0	0	0	0	0	0	0	47,282
- Telecommunication	75,175	0	0	0	0	0	0	0	0	0	0	0	0	75,175
	<u>9,257,395</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,257,395</u>
<b>Governance and other administrative costs</b>														
Audit fees	18,300	0	0	0	0	0	0	0	0	0	0	0	0	18,300
Bank charges	2,305	0	0	0	0	0	0	0	0	0	0	0	0	2,305
Cost of goods sold	15,890	0	0	0	0	0	0	0	0	0	0	0	0	15,890
Loss on disposal of property, plant and equipment	2,157	0	0	0	0	0	0	0	0	0	0	0	0	2,157
Newspapers and periodicals	1,238	0	0	0	0	0	0	0	0	0	0	0	0	1,238
Other professional fees	34,194	0	0	0	0	0	0	0	0	0	0	0	0	34,194
Property, plant and equipment expensed	40,143	0	0	0	0	0	0	0	0	0	0	0	0	40,143
Property, plant and equipment insurance	4,225	0	0	0	0	0	0	0	0	0	0	0	0	4,225
Provision for bad debts	2,148	0	0	0	0	0	0	0	0	0	0	0	0	2,148
Recruitment	7,187	0	0	0	0	0	0	0	0	0	0	0	0	7,187
	<u>127,787</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>127,787</u>

13 RESOURCES EXPENDED

	Unrestricted Fund												Total	
	General Fund	Investment Fund	Project Account Reserve	Sinking Fund	Designated Fund						Restricted Fund			
2011	\$	\$	\$	\$	Alumni Welfare Fund	Client Welfare Fund	Equipment Fund	HIV Fund	Medicine Fund	Metta School Reserve	Student Welfare Fund	Building Fund	Education Trust Fund	\$
<b>Cost of generating funds</b>														
Fund-raising expenditure	206,473	0	0	0	0	0	0	0	0	0	0	0	0	206,473
Event and activity expense	123,765	0	0	0	0	0	0	0	0	0	0	0	0	123,765
Donation expense	15,689	0	0	0	0	0	0	0	0	0	0	0	0	15,689
Designated expenses	97,889	0	0	0	40,765	8,930	0	0	150	0	70,432	485,472	0	703,638
	<u>443,816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,765</u>	<u>8,930</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>0</u>	<u>70,432</u>	<u>485,472</u>	<u>0</u>	<u>1,049,565</u>
<b>Cost of charitable activities</b>														
Buddhist activity expense	286,246	0	0	0	0	0	0	0	0	0	0	0	0	286,246
Depreciation	518,405	0	0	0	0	0	0	0	0	0	0	0	0	518,405
Direct activity expenses														
- Meals and refreshments	59,290	0	0	0	0	0	0	0	0	0	0	0	0	59,290
- Medical and physical aids	9,062	0	0	0	0	0	0	0	0	0	0	0	0	9,062
- Medical professional fee	236,293	0	0	0	0	0	0	0	0	0	0	0	0	236,293
- Other expense	2,573	0	0	0	0	0	0	0	0	0	0	0	0	2,573
- Outings and activities	1,895	0	0	0	0	0	0	0	0	0	0	0	0	1,895
- Training and teaching materials	8,598	0	0	0	0	0	0	0	0	0	0	0	0	8,598
- Transportation	146,128	0	0	0	0	0	0	0	0	0	0	0	0	146,128
- Uniform	10,695	0	0	0	0	0	0	0	0	0	0	0	0	10,695
Public education	12,373	0	0	0	0	0	0	0	0	0	0	0	0	12,373
Rental														
- Building	1,142,218	0	0	0	0	0	0	0	0	0	0	0	0	1,142,218
- Equipment	33,999	0	0	0	0	0	0	0	0	0	0	0	0	33,999
Staff costs														
- CPF/SDL and levy	522,081	0	0	0	0	0	0	0	0	0	0	0	0	522,081
- Medical	42,242	0	0	0	0	0	0	0	0	0	0	0	0	42,242
- Salaries and bonus	3,870,886	0	0	0	0	0	0	0	0	0	0	0	0	3,870,886
- Temporary service	4,601	0	0	0	0	0	0	0	0	0	0	0	0	4,601
- Transportation	3,347	0	0	0	0	0	0	0	0	0	0	0	0	3,347
- Welfare and Training	143,464	0	0	0	0	0	0	0	0	0	0	0	0	143,464
Upkeep, repairs and maintenance														
- Equipment	24,974	0	0	0	0	0	0	0	0	0	0	0	0	24,974
- General	180,254	0	0	0	0	0	0	0	0	0	0	0	0	180,254
- Motor vehicles	80,021	0	0	0	0	0	0	0	0	0	0	0	0	80,021
Utilities	324,179	0	0	0	0	0	0	0	0	0	0	0	0	324,179
Others														
- General expenses	34,015	0	0	0	0	0	0	0	0	0	0	0	0	34,015
- License and subscription	5,261	0	0	0	0	0	0	0	0	0	0	0	0	5,261
- Meeting expenses	6,109	0	0	0	0	0	0	0	0	0	0	0	0	6,109
- Overseas travel	3,564	0	0	0	0	0	0	0	0	0	0	0	0	3,564
- Printing, stationery and postage	43,885	0	0	0	0	0	0	0	0	0	0	0	0	43,885
- Telecommunication	63,246	0	0	0	0	0	0	0	0	0	0	0	0	63,246
- Utensils	1,642	0	0	0	0	0	0	0	0	0	0	0	0	1,642
	<u>7,821,546</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,821,546</u>
<b>Governance and other administrative costs</b>														
Audit fees	22,480	0	0	0	0	0	0	0	0	0	0	0	0	22,480
Bank charges	14,693	0	0	0	0	0	0	0	0	0	0	0	0	14,693
Cost of goods sold	17,448	0	0	0	0	0	0	0	0	0	0	0	0	17,448
Loss on disposal of property, plant and equipment	517	0	0	0	0	0	0	0	0	0	0	0	0	517
Newspapers and periodicals	2,234	0	0	0	0	0	0	0	0	0	0	0	0	2,234
Other professional fees	33,772	0	0	0	0	0	0	0	0	0	0	0	0	33,772
Property, plant and equipment expensed	28,900	0	0	0	0	0	0	0	0	0	0	0	0	28,900
Property, plant and equipment insurance	6,101	0	0	0	0	0	0	0	0	0	0	0	0	6,101
Receivables written off	4,620	0	0	0	0	0	0	0	0	0	0	0	0	4,620
Recruitment	7,406	0	0	0	0	0	0	0	0	0	0	0	0	7,406
	<u>138,171</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>138,171</u>



## 14 OPERATING LEASE COMMITMENTS

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

	2012 \$	2011 \$
Building		
- Not later than one year	11,141,707	1,141,707
- More than a year but not more than five years	<u>1,141,707</u>	<u>2,283,414</u>
Equipment		
- Not later than one year	33,836	32,215
- More than a year but not more than five years	<u>47,808</u>	<u>59,099</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.

## 15 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) of the Income Tax Act.

## 16 RELATED PARTY TRANSACTIONS

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

	Note	2012 \$	2011 \$
Amount due from related parties – represents net advances from the Association	5	<u>164,289</u>	<u>114,975</u>
Amount due to related parties – represents net expenses paid on behalf of the Association	9	<u>339</u>	<u>837</u>
Management fee charged to a related party	12	<u>83,250</u>	<u>20,550</u>

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

During the financial year, one of the executive management committee members received an honorarium amounting to S\$2,400 (FY2011: S\$2,100). Other members did not receive any remuneration during the financial year.

## 17 MANAGEMENT OF CONFLICT OF INTEREST

There is no paid staff on the Association's Executive Management Committee.

Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Association may enter into or in any 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.

## 18 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation for the financial year is as follows:

	2012	2011
Number of key management in remuneration bands		
- Above S\$100,000	2	1
- Within S\$50,001 to S\$100,000	5	6
- S\$50,000 and below	0	0

## 19 RESERVE POLICY AND POSITION

The Association's reserve position (excluding non-current assets) for financial year ended 31 March 2012 is as follows:

	2012 \$'000	2011 \$'000	Increase/ (decrease) %
A Unrestricted Funds			
Accumulated general funds	3,391	2,570	32
Investment fund	1,378	1,149	20
Project account reserve	1,188	1,188	0
Sinking fund	231	268	(14)
Total	<u>6,188</u>	<u>5,175</u>	<u>20</u>
B Restricted or Designated Funds			
Designated Funds	383	325	18
Restricted Funds	<u>725</u>	<u>656</u>	<u>10</u>
C Endowment Funds	<u>0</u>	<u>0</u>	<u>0</u>
D Total Funds	<u>7,296</u>	<u>6,156</u>	<u>19</u>
E Total Annual Operating Expenditure	<u>10,209</u>	<u>9,009</u>	<u>13</u>
F Ratio of Funds to Annual Operating Expenditure (A/E)	<u>0.61</u>	<u>0.57</u>	<u>7</u>

### Reference

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of generating funds, Cost of Charitable Activities and Governance and Other Administrative costs.

### The Association's Reserve Policy is as follows:

The Association regards its unrestricted general fund as its reserves.

The Association maintains sufficient reserve to ensure long-term financial sustainability and continuity for the purpose of operating effective programmes.

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

## 20 FINANCIAL RISK MANAGEMENT

The Association does not have a formal risk management policies and guidelines. The Association does not hold or issue derivative financial instruments.

### *Interest rate risk*

The Association is not exposed to interest rate risk, as it has no bank borrowings.

### *Liquidity risk*

The Association manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance its on-going working capital requirements.

### *Credit risk*

The Association has no significant concentrations of credit risk. The Association places its cash with creditworthy financial institutions.

The carrying amounts of trade and other receivables and cash and cash equivalents represent the Association's maximum exposure to credit risk.

### **Fair values**

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Association approximate their fair values.

## 21 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Executive Management Committee on 21 July 2012.