

GRACE ORCHARD SCHOOL

[A division of Presbyterian Community Services,
UEN. S75SS0022H]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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Fiducia LLP

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STATEMENT BY THE COMMITTEE OF MANAGEMENT

The Committee of Management present their statement together with the audited financial statements of **Grace Orchard School** (the "School"), a division of Presbyterian Community Services (the "Society") for the financial year ended 31 March 2020.

In the opinion of the Committee of Management,

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

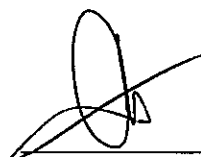
The Committee of Management, comprising the following, authorised the issue of these financial statements on **27 OCT 2020**

Mr. Lo Chee Wen	Chairman/Supervisor
Mrs. Lisa Goh	Secretary/Principal
Mr. Yeo Chong Boon Chris	Hon. Treasurer
Mr. David Lim Chee Kwang	Member
Mr. Lim Eng Hian Arthur	Member
Ms. Tan Chek Hui	Member
Mr. Jonathan Koh Tee Meng	Member
Mr. Ang Wei Neng	Member
Mr. Lim Tee Yoke	Member
Mr. Stephen Loh Sur Yong	NCSS representative
Ms. Wong Geok Mei	MOE representative

For and on behalf of the Committee of Management,



Lo Chee Wen
Chairman



Yeo Chong Boon Chris
Hon. Treasurer

Singapore, **27 OCT 2020**

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Independent auditor's report to the members of:

GRACE ORCHARD SCHOOL

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Grace Orchard School (the "School"), a division of Presbyterian Community Services, (the "Society"), which comprise the statement of financial position of the School as at 31 March 2020, and the statement of financial activities, statement of changes in funds, statement of cash flows, statement of monthly student enrolment eligible for funding and statement of monthly enrolment for international students for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The School is a division of Presbyterian Community Services and is not a separately registered society. The accompanying financial statements have been prepared from the records of the School and reflected only transaction records therein.

In our opinion,

- (a) the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the School as at 31 March 2020 and the financial results, changes in funds and cash flows of the School for the financial year ended on that date.
- (b) the accounting and other records have been properly kept in accordance to the Rules and Regulations issued by the Ministry of Education and National Council of Social Services, as well as of any agreement signed with the Ministry of Education and National Council of Social Service.

Basis for Opinion

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

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(CONT'D)

Independent auditor's report to the members of:

GRACE ORCHARD SCHOOL

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Statement of Committee of Management, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

Management is also responsible for ensuring that the receipt, expenditure, investment income and the acquisition and disposal of assets, are in accordance with the Rules and Regulations issued by the Ministry of Education. The responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the Rules and Regulations issued by the Ministry of Education.

Those charged with governance are responsible for overseeing the School's financial reporting process.

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Independent auditor's report to the members of:

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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Independent auditor's report to the members of:

GRACE ORCHARD SCHOOL

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Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the School have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

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

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

- (iii) the donations and other receipts of the School were not used for approved projects and the purposes intended.
- (iv) the School has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (v) the School has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 27 OCT 2020

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	MOE and NCSS Funding for Total Operating Expenditure S\$	Restricted funds				Total funds S\$
			MOE Special purpose funds (Note 15) S\$	Building fund S\$	Other funds S\$	Total funds S\$	
INCOME							
Income from generating funds							
Designated donations							
- Tax exempt	5,6	0	0	0	62,200	62,200	
- Non-tax exempt	6	0	0	0	25,115	25,115	
Bank interest	6	0	0	0	66,238	66,238	
Income from charitable activities	6	10,180,880	1,069,935	0	358,652	11,609,467	
Other income	6	0	0	0	140,898	140,898	
Total income		10,180,880	1,069,935	0	653,103	11,903,918	
LESS: EXPENDITURE							
Cost of charitable activities	7	7,842,811	1,021,566	378,956	474,698	9,718,031	
Governance costs	7	651,584	12,658	0	0	664,242	
Other expenditures	7	0	0	0	11,750	11,750	
Total expenditures		8,494,395	1,034,224	378,956	486,448	10,394,023	
NET INCOME/(EXPENDITURE) FOR THE FINANCIAL YEAR		1,686,485	35,711	(378,956)	166,655	1,509,895	

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	MOE and NCSS Funding for Total Operating Expenditure S\$	Restricted funds			Total funds S\$
			MOE Special purpose funds (Note 15) S\$	Building fund S\$	Other funds S\$	
INCOME						
Income from generating funds						
Designated donations						
- Tax exempt	5,6	0	0	70,001	70,001	
- Non-tax exempt	6	0	0	60,099	60,099	
Bank interest	6	0	0	39,010	39,010	
Income from charitable activities	6	9,726,143	1,239,182	316,262	11,281,587	
Other income	6	0	0	52,747	52,747	
Total income		9,726,143	1,239,182	538,119	11,503,444	
LESS: EXPENDITURES						
Cost of charitable activities	7	7,871,542	1,138,118	450,134	9,838,750	
Governance costs	7	544,413	98,952	9,606	652,971	
Other expenditures	7	401	0	0	401	
Total expenditures		8,416,356	1,237,070	459,740	10,492,122	
NET INCOME/(EXPENDITURE) FOR THE FINANCIAL YEAR		1,309,787	2,112	78,379	1,011,322	

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	4,965,916	4,600,746
Fixed deposits	10	5,364,432	3,822,965
Other receivables	11	<u>345,698</u>	<u>272,957</u>
Total current assets		<u>10,676,046</u>	<u>8,696,668</u>
Non-current asset			
Property, plant and equipment	12	<u>7,602,649</u>	<u>8,096,099</u>
Total assets		<u>18,278,695</u>	<u>16,792,767</u>
LIABILITIES			
Current liabilities			
Other payables	13	<u>271,384</u>	<u>295,351</u>
Total liabilities		<u>271,384</u>	<u>295,351</u>
NET ASSETS		<u>18,007,311</u>	<u>16,497,416</u>
FUNDS			
Restricted Funds			
MOE and NCSS Funding for Total Operating Expenditure	14	9,414,417	7,727,932
MOE Special purpose funds	14	107,478	71,767
Building fund	14	7,174,021	7,552,977
Other funds	14	<u>1,311,395</u>	<u>1,144,740</u>
TOTAL FUNDS		<u>18,007,311</u>	<u>16,497,416</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Balance at end of financial year S\$
2020			
RESTRICTED FUNDS			
MOE and NCSS Funding for Total Operating			
Expenditure	7,727,932	1,686,485	9,414,417
MOE Special purpose fund	71,767	35,711	107,478
Building fund	7,552,977	(378,956)	7,174,021
Other funds	<u>1,144,740</u>	<u>166,655</u>	<u>1,311,395</u>
Total funds	<u>16,497,416</u>	<u>1,509,895</u>	<u>18,007,311</u>

	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Balance at end of financial year S\$
2019			
RESTRICTED FUNDS			
MOE and NCSS Funding for Total Operating			
Expenditure	6,418,145	1,309,787	7,727,932
MOE Special purpose fund	69,655	2,112	71,767
Building fund	7,931,933	(378,956)	7,552,977
Other funds	<u>1,066,361</u>	<u>78,379</u>	<u>1,144,740</u>
Total funds	<u>15,486,094</u>	<u>1,011,322</u>	<u>16,497,416</u>

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

STATEMENT OF MONTHLY STUDENT ENROLMENT ELIGIBLE FOR FUNDING ON 1ST DAY OF EVERY MONTH

FY 2019/2020	Number of students under Autism Spectrum Disorder (non-Mainstream Curriculum) (a)	Total number of students under Mild Intellectual Disability		Total number of students (d)=(a)+(b)+(c)
		Junior (6 to 11 years old) (b)	Senior (12 to 17 years old) (c)	
As on the first day of each month:				
April	92	131	174	397
May	92	131	173	396
June	92	131	173	396
July	101	152	173	426
August	101	152	172	425
September	101	152	172	425
October	101	152	171	424
November	101	152	166	419
December	101	152	166	419
January	104	142	173	419
February	104	142	173	419
March	104	142	173	419

Note : Students are eligible for funding as on the 1st day of every month if they are Singapore Citizens or Singapore Permanent Residents, receive education in a Government funded special school and are aged 6 to 17 years (as at 1 Jan).

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

STATEMENT OF MONTHLY STUDENT ENROLMENT FOR INTERNATIONAL STUDENTS WHO DO NOT PAY CONCESSIONARY RATES OF SCHOOL FEES (SPR FEE RATES) AS ON 1ST DAY OF EVERY MONTH

<u>FY 2019/2020</u>	Number of international students who are children of employment pass holders, skilled workers or diplomatic staff (a)	Number of international students who are not children of employment pass, holders, skilled workers or diplomatic staff (b)	Total number of students (c)=(a)+(b)
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
January	0	0	0
February	0	0	0
March	<u>0</u>	<u>0</u>	<u>0</u>

Note : International students are defined as those who are not of Singapore Citizen or Singapore Permanent Resident status, and who do not pay concessionary rates of school fees (SPR Fee Rates).

There are no student enrolments for international students who do not pay concessionary rates of schools fees for the period from 1 April 2019 to 31 March 2020.

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

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

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Net income for the financial year		1,509,895	1,011,322
Adjustments for:			
- Depreciation	12	641,737	638,365
- Interest income	6	(66,238)	(39,010)
- (Gain)/ loss on disposal of property, plant and equipment		(386)	401
- Written off of property, plant and equipment	7	11,750	0
Operating cash flow before changes in working capital		<u>2,096,758</u>	<u>1,611,078</u>
Changes in working capital			
- Other receivables		37,961	(47,520)
- Other payables		(23,967)	102,976
Net cash generated from operating activities		<u>2,110,752</u>	<u>1,666,534</u>
Cash flows from investing activities			
Placement of fixed deposits		(1,541,467)	(870,494)
Purchases of property, plant and equipment	12	(160,037)	(450,541)
Proceeds from disposal of property, plant and equipment		386	2,102
Interest received		43,484	20,494
Net cash used in investing activities		<u>(1,657,634)</u>	<u>(1,298,439)</u>
Cash flows from financing activities			
Amount due to Presbyterian Community Services representing net cash used in financing activities		(87,948)	(1,841)
Net increase cash and cash equivalents		365,170	366,254
Cash and cash equivalents at beginning of the financial year		<u>4,600,746</u>	<u>4,234,492</u>
Cash and cash equivalents at end of the financial year	9	<u>4,965,916</u>	<u>4,600,746</u>

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

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

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

1. General information

Grace Orchard School (the "School") is registered in Singapore under the Ministry of Education and is a division of Presbyterian Community Services (the "Society") which is registered under the Societies Act Chapter. 311 on 23 July 1975 and registered as a charity under the Charities Act, Chapter. 37 since 28 February 1985.

The School is situated at 6A Jurong West Street 52, Singapore 649297.

The Society has been accorded Institution of Public Character ("IPC") status for the period from 01 July 2019 to 31 December 2020.

The principal activities of the School are those of providing special education to children with challenging behaviour caused by developmental and psychiatric disorders.

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of the financial statements in conformity with CAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

These financial statements are presented in Singapore Dollar, which is the School's functional and presentation currency.

2.2 Income recognition

Income is included in the statement of financial activities when the following three factors are met:

- The School becomes entitled to the income;
- Management is virtually certain that they will receive the income; and
- The monetary value can be measured with sufficient reliability.

2.2.1 School fees

School fees are recognised over the period of instruction.

2. Significant accounting policies (Cont'd)

2.2 Revenue recognition (Cont'd)

2.2.2 Donations and Donations-in-kind

The recognition of a promised donation is evidence of entitlement which normally exists when the donation is formally expressed in writing. Where the entitlement is demonstrable, and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurability are met.

For donations-in-kind, where the value can be estimated with sufficient reliability, they will be recorded as income. Otherwise, the fact that the value cannot be estimated with sufficient reliability will be disclosed in the relevant note.

2.2.3 Interest income

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

2.2.4 Other income

Other income is recognised when incurred.

2.3 Grants and subsidies

Grants including those for the acquisition of property, plant and equipment are recognised as income when there is evidence of entitlement, which will normally exist when the grant is formally expressed in writing. Where entitlement is demonstrable and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurement are met.

Grants from Ministry of Education ("MOE") and National Council of Social Service ("NCSS") relating to school fees and other fees are calculated based on formula set by the respective government bodies. Based on the funding principles, any over or under funding will be adjusted against the current year's income.

2.4 Expenditure

All expenditure is recognised when and to the extent that a liability is incurred or increased without a commensurate increase in recognised assets or a reduction liabilities, or an asset is reduced without a commensurate decrease in recognised liabilities or increase in another asset.

2.4.1 Cost of charitable activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the School. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure.

The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

2. Significant accounting policies (Cont'd)

2.4 Expenditure (Cont'd)

2.4.2 Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the School as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the School will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members and cost associated with constitutional and statutory requirements.

2.4.3 Other expenditure

Other expenditure includes the payment of any expenditure that the School has not been able to analyse within the main expenditure categories.

2.5 Property, plant and equipment

2.5.1 Measurement

All property, plant and equipment are stated at cost less accumulated depreciation. All items of property, plant and equipment are initially recorded at cost. Fully depreciated assets still in use are retained in the financial statements.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the School; and
- The cost of the item can be measured reliably.

The cost of an item of property, plant and equipment comprises all of the following:

- a) Its purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- b) Any costs 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. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality; and
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Society incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

Property, plant and equipment are not revalued and are not required to be assessed for impairment under CAS.

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.2 Depreciation

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

	Useful lives
Furniture & fittings	5 years
IT equipment	3 to 5 years
Other equipment	5 years
School building	30 years
Renovations	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed and adjusted as appropriate, at each reporting date and, where necessary, revised to reflect changes in expectation.

2.5.3 Disposal

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 recognised in the statement of financial activities in the year the asset is derecognised.

2.6 Employee compensation

2.6.1 Defined contribution plans

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

2.6.2 Employee leave entitlement

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

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with a financial institution which are subject to an insignificant risk of changes in values.

2.8 Other receivables

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

Subsequent to initial recognition, receivables excluding prepayments are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial year.

2. Significant accounting policies (Cont'd)

2.8 Other receivables (Cont'd)

An allowance is made for uncollectable amounts when there is objective evidence that the School will not be able to collect the debt. Impairment loss is recognised in statement of financial activities when identified.

2.9 Other payables

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

2.10 Operating leases

The lease payments under an operating lease shall be recognised on a straight-line basis over the lease term even if the payments are not on such a basis, unless another systematic and rational basis is more representative of the time pattern of the lessee's benefit.

Incentives to sign an operating lease, in whatever form they may take, shall be spread by the lessee on a straight-line basis over the lease term.

2.11 Fund accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the School that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors with their authority or created through legal process but are still within the wider objects of the School. Unrestricted funds are expendable at the discretion of the Committee of Management in furtherance of the School's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict Board's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on the method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the balance sheet.

Funds received for specific purposes such as purchase of depreciable assets are taken to the relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

2.12 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Where the possibility of an outflow of resources is not remote, the School shall disclose for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable:

- a) an estimate of its financial effect;
- b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- c) the possibility of any reimbursement.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2. Significant accounting policies (Cont'd)

2.13 Events occurring after the reporting period

Post year-end events that provide additional information about the School's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgements

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

Critical accounting estimates and assumptions

Management is of the opinion that there are no key sources of estimation uncertainty estimate made at the end of the financial year that has a significant effect on the amounts of assets and liabilities within the next financial year.

Critical judgements in applying the entity's accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Critical judgements in applying the entity's accounting policies (Cont'd)

Government grants

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

4. Income tax

Grace Orchard School is a division of the Presbyterian Community Services (the "Society"). The Society is a charity registered under the Charities Act since 28 February 1985. Consequently, the income of the Society is exempted from tax under the provision of Section 13 of the Income Tax Act, Chapter 134.

5. Tax deductible receipts

Tax deductible receipts have been issued by the School during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

	Note	2020 S\$	2019 S\$
Statement of financial activities			
Accumulated fund			
- Designated Donations	6	62,200	70,001

There was no fund raising held during the financial year.

6. Income	Note	Restricted funds				
		MOE and NCSS Funding for Total Operating Expenditure S\$	MOE Special purpose funds S\$	Building fund S\$	Other funds S\$	Total restricted funds S\$
2020						
Income from generating funds						
Designated Donations						
- Tax exempt	5	0	0	0	62,200	62,200
- Non-tax exempt		0	0	0	25,115	25,115
Bank interest		0	0	0	66,238	66,238
		0	0	0	153,553	153,553
Income from charitable activities						
Grant/Fund received from MOE						
ICT development grant		0	40,300	0	0	40,300
- ICT manpower grant		0	80,000	0	0	80,000
- ICT equipment and service grant		0	326,373	0	0	326,373
Teacher salary grants (Secondment fund)		0	137,831	0	0	137,831
Relief teaching resources		0	80,000	0	0	80,000
Curriculum enhancement fund (CEF)		0	12,658	0	0	12,658
GST reimbursement						
Operating grants and provision for administrative manager		7,227,560	0	0	0	7,227,560
Additional training vote (ATV) fund		0	22,800	0	0	22,800
Staff training vote (STV) fund		0	77,287	0	0	77,287
High needs grant (HNG)		0	174,493	0	0	174,493
SPED financial assistance scheme		0	64,799	0	0	64,799
School meals programme		0	11,812	0	0	11,812
Public transport subsidy grant (PTS)		0	5,160	0	0	5,160
Parent support group fund (PSG)		0	2,500	0	0	2,500
Discretionary financial assistance grant (DFA)		0	33,280	0	0	33,280
Other grants (Opportunity & Innovation Award)		0	0	0	14,800	14,800
Exam fee grant (WPLN fee subsidy)		0	642	0	0	642
School based award		0	0	0	34,900	34,900
Edusave fund		0	0	0	19,775	19,775
		7,227,560	1,069,935	0	69,475	8,366,970

6. Income (Cont'd)	Restricted funds					Total restricted funds S\$
	MOE and NCSS Funding for Total Operating Expenditure S\$	MOE Special purpose funds S\$	Building fund S\$	Other funds S\$		
2020						
Income from charitable activities (Cont'd)						
Grant/Fund received from NCSS						
Operating grants	2,742,340	0	0	0	0	2,742,340
VCF grants	0	0	0	37,479	0	37,479
	<u>2,742,340</u>	<u>0</u>	<u>0</u>	<u>37,479</u>	<u>0</u>	<u>2,779,819</u>
Grant from Other Agencies						
National Art Council	0	0	0	16,000	0	16,000
SG Enable	0	0	0	221,768	0	221,768
Singapore Sports Council	0	0	0	13,930	0	13,930
	<u>0</u>	<u>0</u>	<u>0</u>	<u>251,698</u>	<u>0</u>	<u>251,698</u>
School fees	210,980	0	0	0	0	210,980
Total income from charitable activities	<u>10,180,880</u>	<u>1,069,935</u>	<u>0</u>	<u>358,652</u>	<u>0</u>	<u>11,609,467</u>
Other income						
Special employment credit	0	0	0	8,294	0	8,294
Wages credit scheme	0	0	0	84,360	0	84,360
Sundry income	0	0	0	47,858	0	47,858
Gain on disposal of property, plant and equipment	0	0	0	386	0	386
	<u>0</u>	<u>0</u>	<u>0</u>	<u>140,898</u>	<u>0</u>	<u>140,898</u>
Total Income	<u>10,180,880</u>	<u>1,069,935</u>	<u>0</u>	<u>653,103</u>	<u>0</u>	<u>11,903,918</u>

	Note	Restricted funds					Total restricted funds S\$
		MOE and NCSS Funding for Total Operating Expenditure S\$	MOE Special purpose funds S\$	Building fund S\$	Other funds S\$		
6. Income (Cont'd)							
2019							
Income from generating funds							
Designated Donations							
- Tax exempt	5	0	0	0	70,001	70,001	
- Non-tax exempt		0	0	0	60,099	60,099	
Bank interest		0	0	0	39,010	39,010	
		0	0	0	169,110	169,110	
Income from charitable activities							
Grant/Fund received from MOE							
ICT development grant		0	121,100	0	0	121,100	
- ICT equipment and service grant		0	411,305	0	0	411,305	
Teacher salary grants (Secondment fund)		0	42,586	0	0	42,586	
Relief teaching resources		0	80,000	0	0	80,000	
Curriculum enhancement fund (CEF)							
Operating grants and provision for administrative manager		6,868,864	98,952	0	0	6,967,816	
Additional training vote (ATV) fund		0	23,600	0	0	23,600	
Staff training vote (STV) fund		0	105,936	0	0	105,936	
High needs grant (HNG)		0	199,607	0	0	199,607	
SPED financial assistance scheme		0	64,658	0	0	64,658	
School meals programme		0	36,518	0	0	36,518	
Public transport subsidy grant (PTS)		0	7,520	0	0	7,520	
Parent support group fund (PSG)		0	2,500	0	0	2,500	
Discretionary financial assistance grant (DFA)		0	32,560	0	0	32,560	
Other grants (Opportunity & Innovation Award)		0	5,000	0	15,920	20,920	
Exam fee grant (WPLN fee subsidy)		0	7,340	0	0	7,340	
School based award		0	0	0	32,200	32,200	
Edusave fund		0	0	0	20,575	20,575	
Trailblazer Fund		0	0	0	1,767	1,767	
		6,868,864	1,239,182	0	70,462	8,178,508	

6. Income (Cont'd)	Restricted funds				
	MOE and NCSS Funding for Total Operating Expenditure S\$	MOE Special purpose funds S\$	Building fund S\$	Other funds S\$	Total restricted funds S\$
2019					
Income from charitable activities (Cont'd)					
Grant from NCSS	2,648,531	0	0	0	2,648,531
Operating grants	0	0	0	12,877	12,877
Other grants	2,648,531	0	0	12,877	2,661,408
Grant from Other Agencies					
National Art Council	0	0	0	13,490	13,490
SG Enable	0	0	0	210,828	210,828
Singapore Sports Disability Council	0	0	0	4,452	4,452
Singapore Sports Council	0	0	0	4,153	4,153
School fees	208,748	0	0	0	208,748
Total income from charitable activities	9,726,143	1,239,182	0	316,262	11,281,587
Other income					
Special employment credit	0	0	0	14,282	14,282
Sundry income	0	0	0	23,416	23,416
Temporary employment credit	0	0	0	15,049	15,049
Total Income	9,726,143	1,239,182	0	538,119	11,503,444

7. Expenditure	Note	MOE and NCSS					Restricted funds			Total restricted funds S\$
		Funding for Total Operating Expenditure S\$	MOE Special purpose funds S\$	Building fund S\$	Other funds S\$					
2020										
Cost of charitable activities										
Salaries Bonus, CPF and SDL	8	0	326,373	0	0	0	0	0	0	326,373
-MOE seconded teaching staff	8	5,352,890	306,439	0	0	0	0	0	0	5,659,329
-Teaching staff	8	1,231,596	0	0	0	0	0	0	0	1,231,596
-Allied professional		28,984	182	0	0	0	0	0	0	29,166
Administrative expenses		4,662	416	0	0	0	0	0	0	5,078
Advertisement and community relations		1,657	0	0	0	0	0	0	0	1,657
Bank Charge		0	11,999	0	0	0	29,267	0	0	41,266
Client food voucher subsidy		0	53,000	0	0	0	9,000	0	0	62,000
Client school fees subsidy		0	27,293	0	0	0	263,677	0	0	290,970
Client transport subsidy		0	19,135	0	0	0	1,449	0	0	20,584
Client uniform subsidy		0	4,136	0	0	0	433	0	0	4,569
Client others subsidy		236,588	26,193	0	0	378,956	0	0	0	641,737
Depreciation	12	79,043	0	0	0	0	0	0	0	79,043
Estate management		11,977	0	0	0	0	0	0	0	11,977
Insurance		39,131	0	0	0	0	0	0	0	39,131
Insurance - staff		2,839	0	0	0	0	0	0	0	2,839
Insurance - students		30,348	0	0	0	0	0	0	0	30,348
Maintenance of computer/network		232	0	0	0	0	0	0	0	232
Newspaper and subscription		843	0	0	0	0	0	0	0	843
Postage and courier		54,611	0	0	0	0	0	0	0	54,611
Professional fee		35,098	0	0	0	0	0	0	0	35,098
Printing and stationery		1,544	0	0	0	0	0	0	0	1,544
Resources - teaching										
Balance carried forward to page 25		7,112,043	775,166	378,956	303,826					8,569,991

7. Expenditure (Cont'd)	MOE and NCSS Funding for Total Operating Expenditure S\$	Restricted funds				Total restricted funds S\$
		MOE Special purpose funds S\$	Building fund S\$	Other funds S\$	Total restricted funds S\$	
2020						
Cost of charitable activities (Cont'd)						
Balance brought forward from page 24	7,112,043	775,166	378,956	303,826	8,569,991	
Security guard service	89,880	0	0	0	89,880	
School function	25,154	0	0	8,389	33,543	
School program and teaching resources	424,963	123,443	0	112,296	660,702	
Staff training and development	17,210	113,402	0	50,187	180,799	
Staff welfare and benefits	55,605	9,555	0	0	65,160	
Telecommunication charges	8,779	0	0	0	8,779	
Transport claim - staff	3,750	0	0	0	3,750	
Utilities	105,427	0	0	0	105,427	
	<u>7,842,811</u>	<u>1,021,566</u>	<u>378,956</u>	<u>474,698</u>	<u>9,718,031</u>	
Governance costs						
Auditor remuneration	13,803	0	0	0	13,803	
GST expenses	1,130	12,658	0	0	13,788	
Miscellaneous Expenses	7,403	0	0	0	7,403	
Salaries Bonus, CPF and SDL						
-Admin support staff	8	530,066	0	0	530,066	
-Estate management staff	8	99,182	0	0	99,182	
		<u>12,658</u>	<u>0</u>	<u>0</u>	<u>664,242</u>	
Other expenditure						
Written off of property, plant and equipment	0	0	0	11,750	11,750	
	<u>8,494,395</u>	<u>1,034,224</u>	<u>378,956</u>	<u>486,448</u>	<u>10,394,023</u>	
Total Expenditure						

	Note	Restricted funds					Total restricted funds S\$
		MOE and NCSS Funding for Total Operating Expenditure S\$	MOE Special purpose funds S\$	Building fund S\$	Other funds S\$	Total restricted funds S\$	
2019							
Cost of charitable activities							
Salaries Bonus, CPF and SDL	8	0	411,305	0	0	0	411,305
-MOE seconded teaching staff	8	5,401,921	242,193	0	0	0	5,644,114
-Teaching staff	8	1,271,878	0	0	0	0	1,271,878
-Allied professional		12,646	0	0	19,824	0	32,470
Administrative expenses		4,550	2,500	0	0	0	7,050
Advertisement and community relations		1,891	0	0	0	0	1,891
Bank Charge		0	37,356	0	5,429	0	42,785
Client food voucher subsidy		3,470	50,285	0	5,345	0	59,100
Client school fees subsidy		30,926	28,594	0	211,839	0	271,359
Client transport subsidy		616	20,339	0	0	0	20,955
Client uniform subsidy		0	3,012	0	161	0	3,173
Client others subsidy		0	32,607	378,956	0	0	638,365
Depreciation	12	226,802	0	0	0	0	122,360
Estate management		122,360	0	0	0	0	11,611
Insurance		11,611	0	0	0	0	32,902
Insurance – staff		32,902	0	0	0	0	2,792
Insurance – students		2,792	0	0	0	0	427
Maintenance of equipment		427	0	0	0	0	23,190
Maintenance of computer/network		23,190	0	0	0	0	236
Newspaper and subscription		236	0	0	0	0	479
Postage and courier		479	0	0	0	0	36,557
Printing and stationery		36,557	0	0	0	0	3,587
Resources – teaching		3,587	0	0	0	0	
Balance carried forward to page 27		7,188,841	828,191	378,956	242,598		8,638,586

	Note	Restricted funds				
		MOE and NCSS Funding for Total Operating Expenditure S\$	MOE Special purpose funds S\$	Building fund S\$	Other funds S\$	Total restricted funds S\$
2019						
Cost of charitable activities (Cont'd)						
Balance brought forward from page 26		7,188,841	828,191	378,956	242,598	8,638,586
Security guard service		54,249	0	0	0	54,249
School function		20,301	0	0	13,180	33,481
School program and teaching resources		461,668	213,440	0	107,779	782,887
Skill development fund		12,218	0	0	0	12,218
Social enterprise		0	0	0	10,708	10,708
Staff training and development		21,664	96,487	0	2,424	120,575
Staff welfare and benefits		0	0	0	68,639	68,639
Telecommunication charges		10,922	0	0	0	10,922
Transport claim - staff		0	0	0	4,806	4,806
Utilities		101,679	0	0	0	101,679
		<u>7,871,542</u>	<u>1,138,118</u>	<u>378,956</u>	<u>450,134</u>	<u>9,838,750</u>
Governance costs						
Auditor remuneration		13,803	0	0	0	13,803
GST expenses		0	0	0	9,606	9,606
Salaries Bonus, CPF and SDL						
-Admin support staff	8	422,890	98,952	0	0	521,842
-Estate management staff	8	107,720	0	0	0	107,720
		<u>544,413</u>	<u>98,952</u>	<u>0</u>	<u>9,606</u>	<u>652,971</u>
Other expenditure						
Loss on disposal of property, plant and equipment		401	0	0	0	401
		<u>8,416,356</u>	<u>1,237,070</u>	<u>378,956</u>	<u>459,740</u>	<u>10,492,122</u>
Total Expenditure						

8. Staff cost

	2020 S\$	2019 S\$
Salaries	5,677,743	5,443,660
Bonuses	1,141,780	1,483,382
Employer's contribution to CPF and SDL	1,027,023	1,029,817
	7,846,546	7,956,859

The staff costs were allocated as follows:

	2020 S\$	2019 S\$
<i>Cost of charitable activities</i>		
MOE seconded teaching staff	326,373	411,305
Teaching staff	5,659,329	5,644,114
Allied professional	1,231,596	1,271,878
<i>Governance cost</i>		
Admin support staff	530,066	521,842
Estate management staff	99,182	107,720
	7,846,546	7,956,859

The following are paid to staff whose remuneration was partly supported by MOE secondment fund:

	2020 S\$	2019 S\$
<i>Key management personnel who is a member of the School's Committee of Management:</i>		
Salary and allowances	147,212	145,754
Bonus	18,181	29,968
CPF	9,364	12,360
SDL	134	135
SEP	700	0
MSO	949	1,015
OODQ	200	300
	176,740	189,532
<i>Staff:</i>		
Salary and allowances	117,161	157,645
Bonus	11,265	36,891
CPF	17,420	22,423
SDL	169	236
SEP	993	0
MSO	2,425	3,978
OODQ	200	600
	149,633	221,773
Total	326,373	411,305

8. Staff cost (Cont'd)

	2020 Number of key management personnel	2019 Number of key management personnel
Remuneration band		
Above S\$150,001 and below S\$200,000	1	1
Above S\$100,001 and below S\$150,000	1	2
Below S\$100,000	1	0

Other than disclosed above, there is no key management personnel whose annual remuneration, made up of salary, bonus and CPF earning at least S\$100,000.

One of the key management personnel joined the School during the current financial year; hence, her remuneration is reflective from the date of employment till the end of the financial year.

The other members of the School's Committee of Management are also key management personnel but do not receive any remuneration or benefits from the School.

9. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash on hand	250	1,067
Cash at banks	4,965,666	4,599,679
	4,965,916	4,600,746

10. Fixed deposits

The fixed deposits matured within 12 to 24 months (2019 : 12 to 24 months) from the financial year end and earn interests at rate of 0.75% to 1.88% (2019: 0.75% to 1.53%) per annum.

The fixed deposits comprised funds received from MOE and NCSS.

The School's investment policy is to place or invest its funds exclusively in local banks and financial institutions with high credit rating.

11. Other receivables

	2020 S\$	2019 S\$
Amount due from Presbyterian Community Services ("PCS")	64,341	0
Deposits	104,552	102,272
Examination fee receivables from MOE	214	7,062
Interest receivable	57,491	34,737
MOE-SPED FAS receivables	48,975	52,920
MOE-GST reimbursement	4,030	0
NCSS grant receivable	0	2,330
Prepayments	45,991	45,287
MOE-Singapore Sports Council-Swimsafer	9,010	0
Other receivables	11,094	28,349
	345,698	272,957

12. Property, plant and equipment

2020	Balance at 01.04.2019	Additions	(Disposal/ Written off)	Balance at 31.03.2020
Cost	S\$	S\$	S\$	S\$
Building	11,368,680	0	0	11,368,680
Furniture and fittings	85,592	0	(749)	84,843
Other equipment	409,464	0	(14,449)	395,015
IT equipment	1,030,961	75,512	(121,263)	985,210
Renovation	491,569	4,548	0	496,117
Capital work in progress	0	79,977	0	79,977
	<u>13,386,266</u>	<u>160,037</u>	<u>(136,461)</u>	<u>13,409,842</u>
	Balance at 01.04.2019	Depreciation	(Disposal/ Written off)	Balance at 31.03.2020
	S\$	S\$	S\$	S\$
Accumulated depreciation				
Building	3,915,878	378,956	0	4,294,834
Furniture and fittings	63,445	6,089	(749)	68,785
Other equipment	258,079	39,820	(2,699)	295,200
IT equipment	730,542	155,539	(121,263)	764,818
Renovation	322,223	61,333	0	383,556
Capital work in progress	0	0	0	0
	<u>5,290,167</u>	<u>641,737</u>	<u>(124,711)</u>	<u>5,807,193</u>
	Balance at 01.04.2019			Balance at 31.03.2020
	S\$			S\$
Carrying amount				
Building	7,452,802			7,073,846
Furniture and fittings	22,147			16,058
Other equipment	151,385			99,815
IT equipment	300,419			220,392
Renovation	169,346			112,561
Capital work in progress	0			79,977
	<u>8,096,099</u>			<u>7,602,649</u>

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

	Balance at 01.04.2018 S\$	Additions S\$	(Disposal/ Written off) S\$	Balance at 31.03.2019 S\$
2019 Cost				
Building	11,368,680	0	0	11,368,680
Furniture and fittings	78,364	8,915	(1,687)	85,592
Other equipment	358,742	102,191	(51,469)	409,464
IT equipment	838,169	295,148	(102,356)	1,030,961
Renovation	447,282	44,287	0	491,569
	<u>13,091,237</u>	<u>450,541</u>	<u>(155,512)</u>	<u>13,386,266</u>
	Balance at 01.04.2018 S\$	Depreciation S\$	(Disposal/ Written off) S\$	Balance at 31.03.2019 S\$
Accumulated depreciation				
Building	3,536,922	378,956	0	3,915,878
Furniture and fittings	58,595	6,536	(1,686)	63,445
Other equipment	264,701	42,477	(49,099)	258,079
IT equipment	690,860	141,906	(102,224)	730,542
Renovation	253,733	68,490	0	322,223
	<u>4,804,811</u>	<u>638,365</u>	<u>(153,009)</u>	<u>5,290,167</u>
	Balance at 01.04.2018 S\$			Balance at 31.03.2019 S\$
Carrying amount				
Building	7,831,758			7,452,802
Furniture and fittings	19,769			22,147
Other equipment	94,041			151,385
IT equipment	147,309			300,419
Renovation	193,549			169,346
	<u>8,286,426</u>			<u>8,096,099</u>

The School is on state land held by the Singapore Land Authority (SLA) and the current tenancy agreement is for 3 years from 1 January 2018 to 31 December 2020 at a yearly rental of S\$362,208 which is paid directly by MOE.

Capital work in progress amounting to S\$79,977 represents costs incurred at the reporting date for the implementation and deployment of a finance, student management and human resources system software. Capital work in progress included in property, plant and equipment is not depreciated as the implementation has yet to be completed and available for use. The balance of the contracted sum is disclosed as capital commitment in Note 17(a)

13. Other payables

	2020 S\$	2019 S\$
Accruals	60,765	81,906
Amount due to Presbyterian Community Services ("PCS")	0	23,607
School fee received in advance	1,630	10,200
Other payables	125,454	98,471
Provision of unutilised leave	83,535	81,167
	<u>271,384</u>	<u>295,351</u>

The amount due to Presbyterian Community Services is unsecured, interest-free and there are no fixed terms of repayment.

14. Restricted funds

2020 Restricted funds	Note	Beginning of financial year S\$	Receipts S\$	Expenditure S\$	End of financial year S\$
MOE and NCSS Funding for Total Operating Expenditure					
	14 (a)	7,727,932	10,180,880	(8,494,395)	9,414,417
MOE Special purpose funds					
ICT development grant					
- ICT manpower grant	14 (b)	0	40,300	(40,300)	0
- ICT equipment & service grant	14 (c)	15,014	80,000	(36,343)	58,671
MOE secondment fund	14 (d)	0	326,373	(326,373)	0
Relief teaching resources	14 (e)	0	137,831	(137,831)	0
Curriculum enhancement fund (CEF)	14 (f)	0	80,000	(80,000)	0
Additional training vote fund	14 (h)	0	22,800	(14,552)	8,248
Staff training vote (STV) fund	14 (i)	54,713	77,287	(108,406)	23,594
High needs grant (HNG)	14 (j)	0	174,493	(160,960)	13,533
SPED financial assistance scheme (FAS)	14 (k)	0	64,799	(64,799)	0
School meals programme	14 (l)	0	11,812	(11,812)	0
Public transport subsidy (PTS)	14 (m)	2,040	5,160	(5,670)	1,530
Parent support group fund (PSG)	14 (n)	0	2,500	(598)	1,902
Annual grant for discretionary financial assistance grant (DFA)	14 (o)	0	33,280	(33,280)	0
WPLN fee subsidy	14 (q)	0	642	(642)	0
GST reimbursement	14 (r)	0	12,658	(12,658)	0
		<u>71,767</u>	<u>1,069,935</u>	<u>(1,034,224)</u>	<u>107,478</u>
Building fund					
Capital - building fund	14 (s)	7,552,977	0	(378,956)	7,174,021
Other funds					
MOE School based award	14 (t)	0	34,900	(34,200)	700
MOE Edusave fund	14 (u)	0	19,775	(19,775)	0
MOE Opportunity fund	14 (v)	6,247	14,800	(5,328)	15,719
Trailblazer fund	14 (w)	0	0	0	0
NCSS other grants	14 (x)	0	0	0	0
MSF- VCF fund	14 (y)	375	37,479	(37,217)	637
Donations - Designated	14 (z)	543,693	87,315	(126,480)	504,528
Other Grants	14 (aa)	0	251,698	(251,698)	0
Others	14 (bb)	29,951	207,136	(11,750)	225,337
Capital - Accumulated Fund since 2008		<u>564,474</u>	<u>0</u>	<u>0</u>	<u>564,474</u>
		<u>1,144,740</u>	<u>653,103</u>	<u>(486,448)</u>	<u>1,311,395</u>
Total		<u>16,497,416</u>	<u>11,903,918</u>	<u>(10,394,023)</u>	<u>18,007,311</u>

14. Restricted funds (Cont'd)

2019 Restricted funds	Note	Beginning of financial year S\$	Receipts S\$	Expenditure S\$	End of financial year S\$
MOE and NCSS Funding for Total Operating Expenditure					
	14 (a)	6,418,145	9,726,143	(8,416,356)	7,727,932
MOE Special purpose funds					
ICT development grant					
- ICT manpower grant	14 (b)	0	0	0	0
- ICT equipment & service grant	14 (c)	47,621	121,100	(153,707)	15,014
MOE secondment fund	14 (d)	0	411,305	(411,305)	0
Relief teaching resources	14 (e)	0	42,586	(42,586)	0
Curriculum enhancement fund (CEF)	14 (f)	0	80,000	(80,000)	0
Provision for administrative manager	14 (g)	0	98,952	(98,952)	0
Additional training vote fund	14 (h)	0	23,600	(23,600)	0
Staff training vote (STV) fund	14 (i)	21,664	105,936	(72,887)	54,713
High needs grant (HNG)	14 (j)	0	199,607	(199,607)	0
SPED financial assistance scheme (FAS)	14 (k)	0	64,658	(64,658)	0
School meals programme	14 (l)	0	36,518	(36,518)	0
Public transport subsidy (PTS)	14 (m)	370	7,520	(5,850)	2,040
Parent support group fund (PSG)	14 (n)	0	2,500	(2,500)	0
Annual grant for discretionary financial assistance grant (DFA)	14 (o)	0	32,560	(32,560)	0
MOE innovation award	14 (p)	0	5,000	(5,000)	0
WPLN fee subsidy	14 (q)	0	7,340	(7,340)	0
GST reimbursement	14 (r)	0	0	0	0
		<u>69,655</u>	<u>1,239,182</u>	<u>(1,237,070)</u>	<u>71,767</u>
Building fund					
Capital - building fund	14 (s)	7,931,933	0	(378,956)	7,552,977
Other funds					
MOE School based award	14 (t)	0	32,200	(32,200)	0
MOE Edusave fund	14 (u)	0	20,575	(20,575)	0
MOE Opportunity fund	14 (v)	8,100	15,920	(17,773)	6,247
Trailblazer fund	14 (w)	0	1,767	(1,767)	0
NCSS other grants	14 (x)	0	12,877	(12,877)	0
MSF- VCF fund	14 (y)	375	0	0	375
Donations - Designated	14 (z)	465,716	130,100	(52,123)	543,693
Other Grants	14 (aa)	0	232,923	(232,923)	0
Others	14 (bb)	27,696	91,757	(89,502)	29,951
Capital - Accumulated Fund since 2008		564,474	0	0	564,474
		<u>1,066,361</u>	<u>538,119</u>	<u>(459,740)</u>	<u>1,144,740</u>
Total		<u>15,486,094</u>	<u>11,503,444</u>	<u>(10,492,122)</u>	<u>16,497,416</u>

14. Restricted funds (Cont'd)

The funds are restricted for the following purposes:

<u>Fund</u>	<u>Specified usage</u>
(a) MOE and NCSS Funding for Total Operating Expenditure	The accumulated general funds are restricted for the School only, for the benefit of its intended clients, according to the funder's intent for the use of the monies. These funds will not be transferred out of the School for other purposes and will not be re-designated for other purposes, unless approved by the funders. These funds include, among others, MOE/NCSS operating grants and school fees.
(b) ICT Development grant - ICT manpower grant	To provide the funding (manpower) for school to be better equipped in ICT infrastructure and capabilities, and foster a culture of innovation in ICT for teaching and learning.
(c) ICT Development grant - ICT equipment and service grant	To provide the funding (equipment and service) for school to be better equipped in ICT infrastructure and capabilities, and foster a culture of innovation in ICT for teaching and learning.
(d) MOE secondment fund	To reimburse school for the difference between the actual costs of MOB seconded principal or teacher based on MOE's salary package.
(e) Relief teaching resources	To reimburse schools which engage contract teachers to cover teaching duties of staff undergoing Diploma in Special Education (DISE), Advanced DISE and Management and Leadership in Schools (MLS) courses, as well as staff who are away on MOE Masters Scholarship.
(f) Curriculum enhancement fund (CEF)	To promote and sustain the School's initiatives in enhancing the quality of the special education curricula and co-curricular.
(g) Provision for administrative manager	Provision for one administrative manager and other operating expenditure.
(h) Additional training vote (ATV) fund	MOE fund for the purpose of training SPED registered teachers.
(i) Staff training vote (STV) fund	MOE fund for the purpose of staff training.
(j) High needs grant (HNG)	To provide additional resources to support students with exceptionally high needs.
(k) SPED Financial Assistance Scheme (FAS)	To provide financial assistance to needy Singaporean students from SPED school so that they can enjoy subsidized school fees, uniforms, textbooks and national exam fees.
(l) School meals programme	To provide SPED FAS student aged from 6-11 years old as at 1 January - \$2/meal/day for 180 school days and an additional 2 meals/week at \$2/meal for 40 weeks a year and student aged from 12-20 years old as at 1 January - \$2.5/meal/day for 180 school days and an additional 2 meals/week at \$2.5/meal for 40 weeks a year.

14. Restricted funds (Cont'd)

<u>Fund</u>	<u>Specified usage</u>
(m) Public transport subsidy (PTS)	To subsidise FAS recipient public transport cost.
(n) Parent support group fund (PSG)	One-off seed funding for School to enhance its partnership effort with parents and to try out new ideas to engage parents.
(o) Annual grant for discretionary financial assistance grant (DFA)	To provide financial assistance to help students to pay for school fees, transport, meals, medicine and stationery.
(p) MOE innovation award	Award for teacher on his/her self-development.
(q) WPLN fee subsidy	The subsidy includes full subsidy of Workplace Literacy and Numeracy Series (WPLN) assessment fees for all Singapore Citizen school candidates and 50% subsidy of WPLN assessment fees for Singapore Permanent Resident school candidates.
(r) GST reimbursement	To reimburse the GST-registered schools on the net GST payable to IRAS. This is when the output GST payable to IRAS is more than the input GST claimable from IRAS.
(s) Building fund	For the development, upgrading and maintenance of building.
(t) MOE School based award	To recognise achievement and progress of SPED Singapore citizen students.
(u) MOE Edusave fund	To procure resources and equipment and introduce programmes that enhances the quality of teaching and learning.
(v) MOE Opportunity fund	To provide co-curricular development opportunities for lower household Singapore students.
(w) Trailblazer fund	To help special School students from low-income facilities to remain in School and receive critical intervention services despite the economic downturn.
(x) NCSS other grants	To claim for GST output tax from NCSS.
(y) VCF fund	MSF fund for the purpose of staff training.
(z) Donations - Designated	Donors' monies for designated areas of use.
(aa) Other Grants	Other grants comprise of grants obtained from National Art Council, SG Enable and Singapore Sports Council.
(bb) Others	Others comprise of bank interest and other income.

15. MOE/NCSS Special Purpose Grants

Additional disclosure for these Special Purpose Grants provided under the Ministry of Education ("MOE") - National Council of Social Services ("NCSS") Joint Funding Agreement ("JFA"):

		ICT Development Grant							
		ICT Manpower Grant S\$	ICT Equipment and Service Grant S\$	MOE Secondment Fund S\$	Relief Teaching Resources S\$	Curriculum Enhancement Fund (CEF) S\$	Additional Training Vote (ATV) S\$	Staff Training Vote (STV) S\$	High Needs Grant (HNG) S\$
Balance at beginning of financial year		0	15,014	0	0	0	0	54,713	0
Add: Receipts		40,300	80,000	326,373	137,831	80,000	22,800	77,287	174,493
Less: Expenditure									
a) For ICT Development Grant	ICT Equipment and services expenses	(32,651)	(36,343)	0	0	0	0	0	0
b) For CEF	Purchase of services (e.g. engagement of consultants/vendors)	0	0	0	0	(80,000)	0	0	0
c) For ATV	Participation in school-based workshops, local and overseas conferences, study trips and work attachments	0	0	0	0	0	(14,552)	0	0
d) For Other SPG Funds	i) Salaries, Bonuses, CPF and SDL	(7,649)	0	(326,373)	(137,831)	0	0	0	(160,960)
	ii) Staff Development & Training	0	0	0	0	0	0	(98,850)	0
	iii) Staff Welfare	0	0	0	0	0	0	(9,556)	0
Total Expenditure		(40,300)	(36,343)	(326,373)	(137,831)	(80,000)	(14,552)	(108,406)	(160,960)
Balance at the end of financial year		0	58,671	0	0	0	8,248	23,594	13,533

15. MOE/NCSS Special Purpose Grants (Cont'd)

Additional disclosure for these Special Purpose Grants provided under the Ministry of Education (MOE) - National Council of Social Services (NCSS) Joint Funding Agreement (JFA) (Cont'd):

TABLE 1
2020

	SPED Financial Assistance Scheme (FAS) (funded by MOE and NCSS) S\$	School Meals Programme S\$	Public Transport Subsidy (PTS) S\$	Parent Support Group (PSG) S\$	Annual Grant for Discretionary Financial Assistance (DFA) S\$	WPLN Fee Subsidy S\$	GST Reimbursement S\$
Balance at beginning of financial year	0	0	2,040	0	0	0	0
Add: Receipts							
a) For SPED Financial Assistance Scheme (FAS)	0	11,812	5,160	2,500	33,280	642	12,658
i) Grant from MOE for SPED Financial Assistance Scheme	40,499	0	0	0	0	0	0
ii) Grant from NCSS for SPED Financial Assistance Scheme	24,300	0	0	0	0	0	0
Total Receipt	64,799	11,812	5,160	2,500	33,280	642	12,658
Less: Expenditure							
a) For SPED Financial Assistance Scheme (FAS) (as per reimbursement claims submitted)	(41,815)	0	0	0	0	0	0
i) School Fee Subsidy	(4,421)	0	0	0	0	0	0
ii) Textbooks	(18,563)	0	0	0	0	0	0
iii) School Attire	0	0	0	0	0	0	0
b) For School Meals Programme	0	(11,812)	0	0	0	0	0
School Meals Programme Expenses (as per reimbursement claims submitted)	0	(11,812)	0	0	0	0	0
c) For DFA	0	0	0	0	(11,185)	0	0
i) School Fees	0	0	0	0	(21,623)	0	0
ii) Transport	0	0	0	0	(268)	0	0
iii) School Attire	0	0	0	0	(204)	0	0
iv) Others (Food vouchers/ Textbooks)	0	0	0	0	0	0	0
d) For WPLN Fee Subsidy	0	0	0	0	0	0	0
Examination Fee Expenses (as per reimbursement claims submitted)	0	0	0	0	0	(642)	0
e) For Other SPG Funds	0	0	(5,670)	0	0	0	0
i) Transport	0	0	(5,670)	0	0	0	0
ii) Community relations	0	0	0	(416)	0	0	0
iii) Administrative Expenses	0	0	0	(182)	0	0	0
iv) GST expenses	0	0	0	0	0	0	0
Total Expenditure	(64,799)	(11,812)	(5,670)	(598)	(33,280)	(642)	(12,658)
Balance at the end of financial year	0	0	1,530	1,902	0	0	0

15. MOE/NCSS Special Purpose Grants (Cont'd)

Additional disclosure for these Special Purpose Grants provided under the Ministry of Education (MOE) - National Council of Social Services (NCSS) Joint Funding Agreement (JFA) (Cont'd):

		<u>ICT Development Grant</u>									
		ICT Manpower Grant S\$	ICT Equipment Service Grant S\$	MOE Second Fund S\$	Relief Teaching Resources S\$	Curriculum Enhancement Fund (CEF) S\$	Provision of Administrative Manager S\$	Additional Training Vote (ATV) S\$	Staff Training Vote (STV) S\$	High Needs Grant (HNG) S\$	
TABLE 1											
2019											
Balance at beginning of financial year		0	47,621	0	0	0	0	0	21,664	0	
Add: Receipts		0	121,100	411,305	42,586	80,000	98,952	23,600	105,936	199,607	
Less: Expenditure											
a) For ICT Development Grant											
ICT Equipment and services expenses		0	(153,707)	0	0	0	0	0	0	0	
b) For CEF											
Purchase of services (e.g. engagement of consultants/vendors)		0	0	0	0	(80,000)	0	0	0	0	
c) For ATV											
Participation in school-based workshops, local and overseas conferences, study trips and work attachments		0	0	0	0	0	0	(23,600)	0	0	
d) For Other SPG Funds											
i) Salaries, Bonuses, CPF and SDL		0	0	(411,305)	(42,586)	0	(98,952)	0	0	(199,607)	
ii) Staff Development & Training		0	0	0	0	0	0	0	(72,887)	0	
Total Expenditure		0	(153,707)	(411,305)	(42,586)	(80,000)	(98,952)	(23,600)	(72,887)	(199,607)	
Balance at the end of financial year		0	15,014	0	0	0	0	0	54,713	0	

15. MOE/NCSS Special Purpose Grants (Cont'd)

Additional disclosure for these Special Purpose Grants provided under the Ministry of Education (MOE) - National Council of Social Services (NCSS) Joint Funding Agreement (JFA) (Cont'd):

TABLE 1
2019

Balance at beginning of financial year	SPED Financial Assistance Scheme (FAS) (funded by MOE and NCSS) S\$	School Meals Programme S\$	Public Transport Subsidy (PTS) S\$	Parent Support Group (PSG) S\$	Annual Grant for Discretionary Financial Assistance (DFA) S\$	MOE Innovation award S\$	WPLN Fee Subsidy S\$
	0	0	370	0	0	0	0
Add: Receipts							
a) For SPED Financial Assistance Scheme (FAS)	0	36,518	7,520	2,500	32,560	5,000	7,340
i) Grant from MOE for SPED Financial Assistance Scheme	40,411	0	0	0	0	0	0
ii) Grant from NCSS for SPED Financial Assistance Scheme	24,247	0	0	0	0	0	0
Total Receipt	64,658	36,518	7,520	2,500	32,560	5,000	7,340
Less: Expenditure							
a) For SPED Financial Assistance Scheme (FAS) (as per reimbursement claims submitted)							
i) School Fee Subsidy	(41,470)	0	0	0	0	0	0
ii) Textbooks	(2,849)	0	0	0	0	0	0
iii) School Attire	(20,339)	0	0	0	0	0	0
b) For School Meals Programme							
School Meals Programme Expenses (as per reimbursement claims submitted)	0	(36,518)	0	0	0	0	0
c) For DFA							
i) School Fees	0	0	0	0	(8,814)	0	0
ii) Transport	0	0	0	0	(22,744)	0	0
iii) School Attire	0	0	0	0	(163)	0	0
iv) Others (Food vouchers/ Textbooks)	0	0	0	0	(839)	0	0
d) For WPLN Fee Subsidy							
Examination Fee Expenses (as per reimbursement claims submitted)	0	0	0	0	0	0	(7,340)
e) For Other SPG Funds							
i) Transport	0	0	(5,850)	0	0	0	0
ii) Community relations	0	0	0	(2,500)	0	0	0
iii) Purchase of services (e.g. engagement of consultants/vendors)	0	0	0	0	0	(5,000)	0
Total Expenditure	(64,658)	(36,518)	(5,850)	(2,500)	(32,560)	(5,000)	(7,340)
Balance at the end of financial year	0	0	2,040	0	0	0	0

16. Related party transactions

The following transactions took place between the School and its related parties during the financial year at terms agreed between the parties:

	2020 S\$	2019 S\$
Administrative fees for tax deductible receipts billed by PCS	<u>12,360</u>	<u>14,000</u>

During the current and previous financial years, none of the Committee of Management and key management personnel received any remuneration from the School except for those disclose in Note 8.

17. Commitment

(a) Capital commitment

Capital expenditure contracted for at the reporting date not recognised in the financial statements is as follows:

	2020 S\$	2019 S\$
Finance, student management and human resources system software	<u>97,750</u>	<u>0</u>

(b) Operating lease commitment – as lessee

The School leases land from Singapore Land Authority ("SLA") under a non-cancellable operating lease agreement.

The future minimum rental payable under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, are as follows:

	2020 S\$	2019 S\$
Not later than one year	271,656	362,208
Later than one year but not more than five years	<u>0</u>	<u>271,656</u>
	<u>271,656</u>	<u>633,864</u>

This lease rental is to be paid directly by MOE to SLA.

18. Management of conflict of interest

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

19. Reserve policy and position

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

		2020	2019	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds	0	0	0
B	Restricted or Designated funds			
	Designated funds	0	0	0
	Restricted funds	18,007	16,497	9.15
C	Total Funds	18,007	16,497	9.15
D	Total Annual Operating Expenditure	10,394	10,492	(0.93)
E	Ratio of Funds to Annual Operating Expenditure (C/D)	1.73	1.57	

Reference:

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

The School Reserve Policy for the Accumulated Fund is as follows:

The reserves of the School provide financial stability and the means for the development of the School's activities. The Committee of Management intends to maintain the reserves at a level sufficient for its operating needs. The School reviews the level of reserves regularly for the School's continuing obligations.

The ratio of funds (excluding building fund) to annual operating expenditure is 1.04 (2019: 0.88).

20. Comparative figures

Certain comparatives have been reclassified and represented in compliance with the guidance provided by MOE.

The following reclassifications were made:

- (i) MOE relief teaching resources was reclassified out from MOE and NCSS Funding for Total Operating Expenditure to MOE/NCSS Special Purpose Funds.
- (ii) Provision of unutilised leave was reclassified out from Accruals within the Other payables.

The following reflects the net changes as a result of the reclassification:

	Note	As previously stated S\$	Adjustments S\$	As restated S\$
2019				
Statement of Financial Activities				
MOE and NCSS Funding for Total Operating Expenditure				
Operating grants	(i)	6,911,450	(42,586)	6,868,864
MOE Special purpose funds				
Relief teaching resources	(i)	0	42,586	42,586
Statement of financial position				
Other payables				
Accruals	(ii)	163,073	(81,167)	81,906
Provision of unutilised leave	(ii)	0	81,167	81,167

21. Events occurring after the reporting period

An outbreak of COVID-19 (Coronavirus Disease 2019) had been reported in China on 31 December 2019. At the date of these financial statements, the outbreak has spread to the rest of the world. The School operates in Singapore affected by the outbreak, and as such, is affected by the Government's response and actions taken to contain this outbreak. The School is encouraged by the support measures introduced by the Singapore Government to help cushion the cash flows impact on School.

However, given the unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the Government, the potential financial impact of the COVID-19 outbreak on the School's 2021 financial statements could not be reasonably quantified at this juncture.

22. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Committee of Management of the School on **27 OCT 2020**