

SINGAPORE SCHOOL FOR THE DEAF
[Registration No. 214]

[Registered with Ministry of Education]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2015**

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Fiducia LLP

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Public Accountants and

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements as set out on pages 5 to 27 are drawn up so as to give a true and fair view of the state of affairs of Singapore School for the Deaf (the "School") as at 31 March 2015 and of its results, the changes in funds and cash flows of the School for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the School will be able to pay its debts as and when they fall due.

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

21 AUG 2015

Chairman	Marini Martin Vincent
Acting Principal / Secretary	Ernest Toh Boon Cheng
Honorary Treasurer	Jevons Yip Bao Chung
Committee member	Domenica Piantedosi
Committee member	Veena Dhananjay Jadhav
Committee member	Chew Mun Kai
Committee member	Tan Chay Hoon
Committee member	Tan Swee Khian Elaine
MOE Representative	Christina Michael

For and on behalf of the Management Committee,



Marini Martin Vincent
Chairman



Jevons Yip Bao Chung
Treasurer

Singapore,

21 AUG 2015

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Independent auditors' report to the members of:

SINGAPORE SCHOOL FOR THE DEAF
[Registration No. 214]

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Report on the Financial Statements

We have audited the accompanying financial statements of **Singapore School for the Deaf** (the "School") set out on pages 5 to 27, which comprise the statement of financial position as at **31 March 2015**, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the 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 profit and loss accounts and balance sheets 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.

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(CONT'D)

Independent auditors' report to the members of:

SINGAPORE SCHOOL FOR THE DEAF

[Registration No. 214]

[Registered with Ministry of Education]

Opinion

In our opinion, the financial statements of the School are properly drawn up in accordance with the provisions of the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the School as at 31 March 2015, and the results, changes in funds and cash flows of the School for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

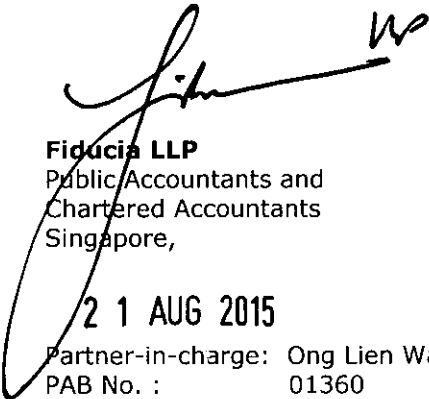
In our opinion, the accounting and other records properly kept in accordance to the Rules and Regulations issued by the Ministry of Education and National Council of Social Services, as well of any agreement with the Ministry of Education.

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

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

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

- (iii) the donations and other receipts of the School were not used for approved projects and the purposes intended.



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore,

21 AUG 2015

Partner-in-charge: Ong Lien Wan
PAB No. : 01360

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 S\$	As restated 2014 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,007,914	1,023,592
Other receivables	5	<u>6,599</u>	<u>15,868</u>
		1,014,513	1,039,460
Non-current assets			
Property, plant and equipment	6	<u>40,009</u>	<u>30,878</u>
Total assets		<u>1,054,522</u>	<u>1,070,338</u>
LIABILITIES			
Current liabilities			
Accruals and other payables	7	84,744	35,289
Deferred capital grant	8	<u>13,854</u>	<u>6,366</u>
		98,598	41,655
Non-current liabilities			
Deferred capital grant	8	<u>19,219</u>	<u>19,100</u>
Total liabilities		<u>117,817</u>	<u>60,755</u>
NET ASSETS		<u>936,705</u>	<u>1,009,583</u>
FUNDS			
Accumulated General fund		462,401	521,458
Restricted funds	9	<u>474,304</u>	<u>488,125</u>
		<u>936,705</u>	<u>1,009,583</u>

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

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

2015	Note	Restricted funds										2015		As restated 2014		
		Accumulated general fund	Art mentorship fund	Curriculum enhancement fund	Edusave fund	MOE IT fund	MOE opportunity fund	Pupil welfare assistance fund	Students fund	SE community devt fund	School pocket money fund	Other funds	Total funds	Total funds	Total funds	
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
INCOME																
Voluntary income																
Donations		900	0	0	0	0	0	1,600	2,165	0	0	5,000	9,665	49,882		
Grants from MOE		399,833	0	0	0	0	0	0	0	0	0	0	399,833	398,224		
Grants from NCSS		145,631	0	0	5,742	18,458	2,633	0	0	0	400	0	172,864	143,713		
Other grants		32,873	0	0	0	0	0	0	0	875	516	0	34,264	23,230		
Amortisation of capital grants		8,489	0	0	0	0	0	0	0	0	0	0	8,489	1,406		
School fees		1,260	0	0	0	0	0	0	0	0	0	0	1,260	1,590		
		588,986	0	0	5,742	18,458	4,233	2,165	875	516	5,400	626,375	618,045			
Other income																
Investment income		4,307	0	0	0	0	0	0	0	0	0	0	4,307	1,359		
Miscellaneous income		10,266	0	0	(1,625)	0	0	(180)	0	0	0	0	8,461	10		
		14,573	0	0	(1,625)	0	0	(180)	0	0	0	0	12,768	1,369		
		603,559	0	0	4,117	18,458	4,233	2,165	875	516	5,400	639,143	619,414			
EXPENDITURE																
Cost of charitable activities																
Teaching staff salaries		262,432	0	0	0	0	0	0	0	0	0	0	262,432	233,922		
Teaching staff CPF		31,790	0	0	0	0	0	0	0	0	0	0	31,790	27,399		
		294,222	0	0	0	0	0	0	0	0	0	0	294,222	261,321		
Governance and other administrative costs																
Communications		4,596	0	0	0	0	0	0	0	0	0	0	4,596	3,561		
Depreciation		16,262	0	0	0	0	0	0	0	0	0	0	16,262	13,866		
Equipment expenses		0	0	0	0	16,096	0	0	0	0	0	0	16,096	26,430		
Maintenance		41,801	0	0	0	0	0	0	0	0	0	0	41,801	33,410		
Other rentals		2,722	0	0	0	0	0	0	0	0	0	0	2,722	2,495		
Professional and other services		72,339	4,742	2,767	0	0	0	0	0	0	0	0	79,848	75,356		
School functions		4,202	0	0	0	0	7,410	0	4,153	0	0	0	15,765	30,258		
Balance carried forward		141,922	4,742	2,767	0	16,096	7,410	0	4,153	0	0	0	177,090	185,376		

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

	Note	Restricted funds										As restated 2014			
		Accumulated general fund	Art mentorship fund	Curriculum enhancement fund	Edusave fund	MOE IT fund	MOE opportunity fund	Pupil welfare assistance fund	Students fund	SE community devt fund	School pocket money fund	Other funds	Total funds	Total funds	
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
EXPENDITURE (CONT'D)															
Governance and other administrative costs (Cont'd)		141,922	4,742	2,767	0	16,096	0	7,410	0	4,153	0	0	0	177,090	185,376
Balance carried forward		134,984	0	0	0	0	0	0	0	0	0	0	0	134,984	120,989
- Staff salary		15,891	0	0	0	0	0	0	0	0	0	0	0	15,891	14,927
- Staff CPF contributions		1,797	0	0	0	0	0	0	0	0	0	0	0	1,797	3,649
Staff welfare		20,841	0	0	0	0	0	0	0	0	0	8,832	0	29,673	2,597
Staff training		7,898	0	0	0	0	0	0	0	0	0	0	0	7,898	61,399
Student enrichment programme		0	0	0	0	0	0	0	0	0	0	0	0	0	2,615
Student welfare		15,560	4,930	0	0	0	0	0	0	0	475	0	0	20,490	12,341
Supplies and material		852	0	0	0	0	0	0	0	0	0	0	0	852	1,005
Transport		28,649	0	0	0	0	0	0	0	0	0	0	0	28,649	31,298
Utilities		368,394	9,672	2,767	0	16,096	0	7,410	0	4,153	475	8,832	0	417,799	436,196
Total expenditure		662,616	9,672	2,767	0	16,096	0	7,410	0	4,153	475	8,832	0	712,021	697,517
Surplus / (Deficit) for the year		(59,057)	(9,672)	(2,767)	4,117	2,362	(180)	(3,177)	2,165	(3,278)	41	(3,432)	(72,878)	(78,103)	
FUNDS BROUGHT FORWARD		521,458	52,390	58,544	7,453	(1,411)	1,620	51,715	34,417	3,548	464	279,385	1,009,583	1,087,686	
FUNDS CARRIED FORWARD		462,401	42,718	55,777	11,570	951	1,440	48,538	36,582	270	505	275,953	936,705	1,009,583	

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

2015	Note	Balance at beginning of year S\$	Surplus/ (Deficit) for the year S\$	Transfers S\$	Balance at end of year S\$
Restricted funds					
Art mentorship fund	9.1	52,390	(9,672)	0	42,718
Curriculum enhancement fund	9.2	58,544	(2,767)	0	55,777
Edusave fund	9.3	7,453	4,117	0	11,570
MOE IT fund	9.4	(1,411)	2,362	0	951
MOE opportunity fund	9.5	1,620	(180)	0	1,440
Parent support group fund	9.6	2,500	0	0	2,500
Pupil welfare assistance fund	9.7	51,715	(3,177)	0	48,538
Students fund	9.8	34,417	2,165	0	36,582
School development fund	9.9	226,915	0	0	226,915
South East community devt fund	9.10	3,548	(3,278)	0	270
Teaching material fund	9.11	22,721	5,000	0	27,721
Training fund	9.12	26,049	(8,832)	0	17,217
Staff training vote fund	9.13	1,200	400	0	1,600
School pocket money fund	9.14	464	41	0	505
		<u>488,125</u>	<u>(13,821)</u>	<u>0</u>	<u>474,304</u>
Accumulated general fund		<u>521,458</u>	<u>(59,057)</u>	<u>0</u>	<u>462,401</u>
		<u>1,009,583</u>	<u>(72,878)</u>	<u>0</u>	<u>936,705</u>

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 March 2015 (CONT'D)

	Note	Balance at beginning of year	Surplus/ (Deficit) for the year	Transfers	Balance at end of year
		S\$	S\$	S\$	S\$
2014(As restated)					
Restricted funds					
Art mentorship fund	9.1	54,839	(2,449)	0	52,390
Curriculum enhancement fund	9.2	59,467	(923)	0	58,544
Edusave fund	9.3	39,930	(32,477)	0	7,453
MOE IT fund	9.4	25,019	(26,430)	0	(1,411)
MOE opportunity fund	9.5	174	1,446	0	1,620
Parent support group fund	9.6	2,500	0	0	2,500
Pupil welfare assistance fund	9.7	47,807	3,908	0	51,715
Students fund	9.8	36,692	(2,275)	0	34,417
School development fund	9.9	226,915	0	0	226,915
South East community devt fund	9.10	2,242	1,306	0	3,548
Teaching material fund	9.11	22,721	0	0	22,721
Training fund	9.12	26,049	0	0	26,049
Staff training vote fund	9.13	0	1,200	0	1,200
School pocket money fund	9.14	1,665	(1,201)	0	464
		<u>546,020</u>	<u>(57,895)</u>	<u>0</u>	<u>488,125</u>
		<u>541,666</u>	<u>(20,208)</u>	<u>0</u>	<u>521,458</u>
		<u>1,087,686</u>	<u>(78,103)</u>	<u>0</u>	<u>1,009,583</u>
Accumulated general fund					

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

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

	Note	2015 S\$	As restated 2014 S\$
Cash flows from operating activities			
Deficit for the year		(72,878)	(78,103)
Adjustments for:			
- Amortisation of capital grants	8	(8,489)	(1,406)
- Depreciation of property, plant and equipment	6	16,262	13,866
- Interest income		(4,307)	(1,359)
Operating cash flow before working capital changes		(69,412)	(67,002)
Changes in working capital			
- Other receivables		9,269	(12,487)
- Other payables		(10,352)	449
Net cash used in operating activities		<u>(70,495)</u>	<u>(79,040)</u>
Cash flows from investing activities			
Interest income		4,307	1,359
Purchases of property, plant and equipment	6	(25,393)	(34,592)
Net cash used in investing activities		<u>(21,086)</u>	<u>(33,233)</u>
Cash flows from financing activities			
Increase in deferred capital grant	8	16,096	25,466
Advance from/(repayment to) related parties		59,807	(11,742)
Net cash provided by financing activities		<u>75,903</u>	<u>13,724</u>
Net decrease in cash and cash equivalents		(15,678)	(98,549)
Cash and cash equivalents at beginning of financial year		<u>1,023,592</u>	<u>1,122,141</u>
Cash and cash equivalents at end of financial year		<u>1,007,914</u>	<u>1,023,592</u>

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

**STATEMENT OF MONTHLY PUPIL ENROLMENT ELIGIBLE FOR FUNDING
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

Month	Number of pupils – By disability group (Hearing Impairment)	Number of pupils – By disability group (Intellectual disability)	Total number of pupils (c=a+b)
	(a)	(b)	(c=a+b)
1 April 2014	11	0	11
1 May 2014	11	0	11
1 June 2014	11	0	11
1 July 2014	11	0	11
1 August 2014	11	0	11
1 September 2014	11	0	11
1 October 2014	11	0	11
1 November 2014	11	0	11
1 December 2014	9	0	9
1 January 2015	9	0	9
1 February 2015	9	0	9
1 March 2015	9	0	9

**STATEMENT OF MONTHLY PUPIL ENROLMENT FOR INTERNATIONAL STUDENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

Month	Number of International Students*	Number of International Students**	Total number of International Students
	(a)	(b)	(c=a+b)
1 April 2014	0	0	0
1 May 2014	0	0	0
1 June 2014	0	0	0
1 July 2014	0	0	0
1 August 2014	0	0	0
1 September 2014	0	0	0
1 October 2014	0	0	0
1 November 2014	0	0	0
1 December 2014	0	0	0
1 January 2015	0	0	0
1 February 2015	0	0	0
1 March 2015	0	0	0

(a) *International Students who are children of employment pass holders, skilled workers and diplomatic staff.

(b) **International Students who are not children of employment pass holders, skilled workers and diplomatic staff.

Note: International students are defined as those students who are not of Singaporean Citizens or Permanent Residents.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

1. General information

Singapore School for the Deaf ("the School") is registered with the Ministry of Education under the Education Act (Chapter 87) in Singapore on 15 March 1965. The School's registered address is at 227, Mountbatten Road, Singapore 397998.

The principal activity of the School is to provide primary education for the deaf children.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. These financial statements are presented in Singapore Dollar, which is the School's functional currency.

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

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.

2.1.1 Interpretations and amendments to published standards effective in 2014

On 1 April 2014, the School adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the School's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

FRS	Effective date	Title
FRS 110	1.1.2014	Consolidated financial statements, and Amendment to FRS 27 (revised 2011) Separate financial statements
FRS 111	1.1.2014	Joint arrangements, and amendment to FRS 28 (revised 2011) Investments in Associates and Joint Ventures
FRS 32	1.1.2014	Amendment to Financial instruments: Presentation (Offsetting financial assets and financial liabilities)
FRS 36	1.1.2014	Amendment to Impairment of Assets (Recoverable amount disclosures for non-financial assets)
FRS 39	1.1.2014	Amendment to Financial instruments: Recognition and measurement (Novation of derivatives and continuation of hedge accounting)
INT FRS 121	1.1.2014	Levies

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the accounting policies of the School and had no material effect on the amounts reported for the current or prior financial year.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standards issued but not yet effective

The School did not early adopt the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued at the date of authorisation of these financial statements but not yet effective until future periods:

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 19	1.7.2014	Amendments – Employee benefits – defined benefit plans: Employee contributions
FRS 102	1.7.2014	Improvements 2012– Shared-based payment
FRS 103	1.7.2014	Improvements 2012– Business combinations
FRS 108	1.7.2014	Improvements 2012– Operating segments
FRS 16	1.7.2014	Improvements 2012– Property, plant and equipment
FRS 38	1.7.2014	Improvements 2012– Intangible assets
FRS 24	1.7.2014	Improvements 2012– Related party disclosures
FRS 103	1.7.2014	Improvements 2013– Business combinations
FRS 113	1.7.2014	Improvements 2013– Fair value measurement
FRS 40	1.7.2014	Improvements 2013– Investment property
FRS 114	1.1.2016	Regulatory deferral

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Revenue recognition

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

2.2.1 Government grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

The Government funding for capital expenditure are amortised as income over the useful lives of the assets they fund.

2.2.2 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

2.2.3 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

2.2.4 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 Cost and expense recognition

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

2.3.1 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the School.

2.3.2 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the School, 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 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 life
Building renovation	5 years
Furniture and equipment	5 years
Computer equipment	3 years

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

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

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment(Cont'd)

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

2.6.4 Classification

The School classifies its financial assets as loans and receivables. 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 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 "Other receivables" and "Cash and cash equivalents" on the statement of financial position.

2.6.5 Recognition and derecognition

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

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs.

Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.6.4 Impairment

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

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

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and, short-term and highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

2.7 Financial liabilities

Financial liabilities are recognised when the School becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of comprehensive income.

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. 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 comprehensive income.

2.8 Accruals and other payables

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

2.9 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. Significant accounting policies (Cont'd)

2.10 Provisions for other liabilities and charges

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

2.11 Currency translation

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

2.12 Employee compensation

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.

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

2.13 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the School if that person:
 - (i) Has control or joint control over the School;
 - (ii) Has significant influence over the School; or
 - (iii) Is a member of the key management personnel of the School or of a parent of the School;

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

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.1.1 Estimated useful lives of property, plant and equipment

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

3.1.2 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 income and expenditure during the year and a suitable discount rate.

4. Cash and cash equivalents

	2015 S\$	2014 S\$
Cash at bank	407,914	436,239
Fixed deposits	600,000	587,353
	1,007,914	1,023,592

Fixed deposits had maturity ranging from 6 months to 12 months (2014: from 6 months to 12 months) and have interest rates ranging from 1.25% to 1.37% (2014: from 0.15% to 0.25%) per annum.

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair value.

5. Other receivables

	2015 S\$	2014 S\$
Deposits	151	40
Interest receivables	3,535	411
Prepayments	2,913	2,657
Other receivables	0	12,760
	6,599	15,868

At the reporting date, the carrying amounts of other receivables approximated their fair values.

6. Property, plant and equipment

2015	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
Cost				
Building renovation	94,135	0	0	94,135
Computer equipment	37,623	18,466	0	56,089
Furniture and equipment	40,919	6,927	0	47,846
	<u>172,677</u>	<u>25,393</u>	<u>0</u>	<u>198,070</u>
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
Accumulated depreciation				
Building renovation	93,784	313	0	94,097
Computer equipment	20,647	10,930	0	31,577
Furniture and equipment	27,368	5,019	0	32,387
	<u>141,799</u>	<u>16,262</u>	<u>0</u>	<u>158,061</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Net book value				
Building renovation	351			38
Computer equipment	16,976			24,512
Furniture and equipment	13,551			15,459
	<u>30,878</u>			<u>40,009</u>

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

	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2014				
Cost				
Building renovation	94,135	0	0	94,135
Computer equipment	12,157	25,466	0	37,623
Furniture and equipment	31,793	9,126	0	40,919
	<u>138,085</u>	<u>34,592</u>	<u>0</u>	<u>172,677</u>
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
Accumulated depreciation				
Building renovation	92,706	1,078	0	93,784
Computer equipment	12,039	8,608	0	20,647
Furniture and equipment	23,188	4,180	0	27,368
	<u>127,933</u>	<u>13,866</u>	<u>0</u>	<u>141,799</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Net book value				
Building renovation	1,429			351
Computer equipment	118			16,976
Furniture and equipment	8,605			13,551
	<u>10,152</u>			<u>30,878</u>

7. Accruals and other payables

	2015 S\$	As restated 2014 S\$
Amount due to related parties		
– The Singapore Association for the Deaf (SAD)	56,980	14,878
– The Mountbatten Vocational School (MVS)	23,914	6,209
Other payables and accruals	3,850	14,202
	<u>84,744</u>	<u>35,289</u>

The amount due to related parties are unsecured, non-interest bearing and are payable on demand.

At the reporting date, the carrying amounts of accruals and other payables approximated their fair values.

8. Deferred capital grants

	2015 S\$	2014 S\$
Balance as at beginning of the financial year	25,466	1,406
Additions during the year	16,096	25,466
Amortisation	(8,489)	(1,406)
Balance as end of the financial year	<u>33,073</u>	<u>25,466</u>
Not later than one year	13,854	6,366
Later than one year but not later than five years	19,219	19,100
	<u>33,073</u>	<u>25,466</u>

The Deferred capital fund accounts for the purchase of capital assets via utilisations of designated funds less accumulated amortisation which are matched to the depreciation charges of the corresponding equipment acquired using the funds.

9. Restricted funds

These funds are for projects established for specific purposes. Donations received were taken up in the various categories or funds as specified by the donors.

9.1 The Art mentorship fund was established for expenses on CCA outing/transport, enrichment programmes, acts, musical and other activities.

9.2 The Curriculum enhancement fund was established for school based initiatives or activities related to curricula and co-curricula development and reform. The School may use the fund for the following needs:

- Engage suitable consultants, specialised trainers or coaches;
- Employ replacement staff to relieve teachers who need to attend training courses;
- Employ additional staff to support new programmes, e.g. teacher aids, technical assistance, etc.;
- Acquire, upgrade or maintain curricula hardware, e.g. computers, technical assistive devices, sports/musical instruments, etc.; and
- Acquire, upgrade or maintain curricula software, e.g. books, games, programmes, and other teaching resources.

9. Restricted funds (Cont'd)

- 9.3 The Edusave fund was established to enable the School to conduct enrichment programmes and for the specific skills training for students.
- 9.4 The MOE IT fund was established to purchase IT software and hardware.
- 9.5 The MOE opportunity fund was established to subsidise Singaporean students of low-income families to aid them to own a personal computer and to participate in various enrichment programmes.
- 9.6 Parent Support Group Fund is a one-off seed funding of \$2,500 for each school to enhance its partnership efforts with parents and to try out new ideas to engage parents. The seed funding can also be used to support SPED schools that wish to set up PSGs, or enhance the current level of parental engagement with schools that already have a PSG.
- 9.7 The Pupil welfare assistance fund was established to subsidise for student transport allowance and items not covered under Student fund.
- 9.8 The Students fund was established to enable the School to:
- purchase hearing aids for loans to financially needy deaf pupils;
 - purchase spare parts for the maintenance of students' hearing aids on loan to needy pupils;
 - purchase hearing test sets;
 - participate in Community Involvement and Social Integration Programme for students;
 - subsidise overseas Cultural Exchange Programmes for needy but deserving pupils on a case to case basis;
 - provide school fees exemptions for students with financial difficulties; and
 - provide for special classes programmes for students.
- 9.9 The School development fund was established to purchase and maintain non-standard equipment, computer, machines and perishables.
- 9.10 South East Community Development Fund is for use of providing relief for low-income parents who face difficulties meeting their children basic school needs such as textbooks, uniforms, school and supplementary fees, pocket money and expenses.
- 9.11 The Teaching material fund was established to enable the School to purchase and produce training materials for in-house training staff, volunteers and parents.
- 9.12 The Training fund was established to fund overseas training of teaching and professional staff.
- 9.13 The Staff Training Vote Fund was established to enable SPED schools to better cater to the professional development needs of their registered teachers.
- 9.14 The School pocket money fund was established to support student from low income families to meet their basic needs such as meal and bus fares.

10. Income tax

The School is one of the two Schools under The Singapore Association for the Deaf, which is registered under the Charities Act since 26 March 1962. Consequently, the income of the School is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

11. Related party transactions

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

	2015 S\$	2014 S\$
Payments made on behalf of the School by The Singapore Association for the Deaf (SAD)	465,320	389,747
Payments made on behalf of the School by Mountbatten Vocational School (MVS)	<u>104,070</u>	<u>90,412</u>

Balances with the related parties as at the reporting date are set out in Note 7.

12. Key management personnel remuneration and benefits

	2015 S\$	2014 S\$
Salaries and other short-term employee benefits	100,419	94,568
Post-employment benefits – Contributions to CPF	<u>12,701</u>	<u>13,716</u>
	<u>113,120</u>	<u>108,284</u>
	No. of key management personnel	No. of key management personnel
Remuneration band		
S\$50,001 to S\$100,000	<u>1</u>	<u>1</u>

One of the key management personnel above is the School administrator whose remuneration is being shared equally with Mountbatten Vocational School.

The key management personnel above is a Management Committee member. The rest of the members are volunteers and none received any remuneration or reimbursement during the year.

13. Operating lease commitments

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

	2015 S\$	2014 S\$
Not later than one year	2,544	2,544
Later than one year but not later than five years	<u>6,657</u>	<u>9,201</u>
	<u>9,201</u>	<u>11,745</u>

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

14. Financial risk management

The School's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee.

14.1 Liquidity risk

The School manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Management Committee to fund the School's operations.

14.2 Credit risk

Credit risk arises mainly from the risk on counterparties defaulting on the terms of their agreements. The carrying amounts of cash and cash equivalents and other receivables represent the School's maximum exposure to credit risk in relation to financial assets. The credit risk on balances of cash and cash equivalents is considered low as surplus funds are placed in fixed deposits with reputable banks.

14.3 Interest rate risk

The School's exposure to interest rate risk relate primarily to the fixed deposits placed with banks. The Association is not exposed to significant interest rate risk.

14.4 Foreign currency risk

The School does not engage in trading of or speculation in foreign currencies and does not have any financial instruments that are exposed to significant foreign currency risks.

14.4 Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the School approximate their fair values due to their short-term nature.

15. Reserve policy and position

The reserves that the School has set aside provide financial stability and the means for the development of its principal activities. The School intends to maintain its reserves at a level, which is at least equivalent to one year's expenses to ensure the continued running and smooth operation of the School. The intended use of the reserves is for the operational need of the School.

The Management Committee will review the amount of reserves that is required to ensure that they are adequate to fulfil School's continuing obligations on a half-yearly basis.

15. Reserve policy and position (Cont'd)

The School's reserve position for financial year ended 31 March 2015 is as follows:

		2015	2014	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general fund	462	521	(13.24)
B	Restricted or Designated Funds			
	Restricted Funds	474	488	(2.87)
C	Endowment Funds	0	0	0
D	Total Funds	936	1,009	(8.23)
E	Total Annual Operating Expenditure	712	698	2.01
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.65	0.75	(13.33)

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 Governance and Other Operating and Administration expenses.

16. Comparative figures

Certain line items have been restated on the face of the statement of financial position, statement of financial activities, and the related notes to the financial statements to conform to the current year's presentation.

The restatement was made due to correction of errors in taking up the restricted fund and other payables resulting to the misstatement of certain income and expenses in the previous years.

2014	As previously reported S\$	Restatement S\$	As restated S\$
Statement of financial position			
Liabilities			
- Accruals and other payables	35,753	(464)	35,289
Restricted Funds			
- School pocket money fund	<u>0</u>	<u>464</u>	<u>464</u>
Statement of financial activities			
Income			
- Other grants	21,816	1,414	23,230
Cost of charitable activities			
- Teaching staff salaries	0	(233,922)	(233,922)
- Teaching staff CPF	0	(27,399)	(27,399)
Governance and other administrative costs			
- Student welfare	0	(2,615)	(2,615)
- Teaching staff salaries	(233,922)	233,922	0
- Teaching staff CPF	(27,399)	27,399	0
	<u>(239,505)</u>	<u>(1,201)</u>	<u>240,706</u>
Statement of cash flows			
Net cash used in operating activities	(65,316)	(13,724)	(79,040)
Net cash generated from financial activities	<u>0</u>	<u>13,724</u>	<u>13,724</u>
	<u>(65,316)</u>	<u>0</u>	<u>(65,316)</u>

17. Authorisation of financial statements

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

21 AUG 2015