

# **Deloitte.**

**LIGHTHOUSE SCHOOL**

**REPORTS AND FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2016**

# LIGHTHOUSE SCHOOL

## REPORTS AND FINANCIAL STATEMENTS

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**LIGHTHOUSE SCHOOL**  
**MANAGEMENT REPORT**

In our opinion,

- (a) the accompanying financial statements as set out on pages 4 to 24 give a true and fair view of the financial position of Lighthouse School (the "School") as at March 31, 2016 and of the income and expenditure and cash flows for the financial year ended on that date. The transactions of the School have been carried out in accordance with Singapore Financial Reporting Standards, and the Rules and Regulations of the Ministry of Education and its funds were used for approved projects and the purposes intended;
- (b) the accounting and other records have been properly kept in accordance with 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
- (c) the receipt, expenditure, investment of monies and the acquisition and disposal of assets by the School have 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 donations and other receipts of the School were used for approved projects and the purposes intended.



.....  
**Tony Phua**  
Chairman  
School Management Committee

Singapore  
Date: **9 SEP 2016**

## **INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE OF LIGHTHOUSE SCHOOL**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lighthouse School (the "School") which comprise the statement of financial position as at March 31, 2016, and the statement of income and expenditure and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 24.

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

The management committee is responsible for the preparation of financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards and Rules and Regulations issued by the Ministry of Education and National Council of Social Services, 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; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control 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 control. 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.

## INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE OF LIGHTHOUSE SCHOOL

### Opinion

In our opinion, the financial statements of the School are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the School as at March 31, 2016 and of the income and expenditure and cash flows of the School for the year ended on that date.

### Report on Other Legal and Regulatory Requirements


In our opinion, the accounting and other records have been properly kept in accordance with the Rules and Regulations issued by the Ministry of Education and the National Council of Social Services.

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; nor that

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



Public Accountants and  
Chartered Accountants  
Singapore

September 9, 2016

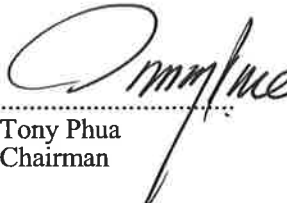
**LIGHTHOUSE SCHOOL**


**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2016**


	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
PROPERTY AND EQUIPMENT	6	91,015	60,298
<b>CURRENT ASSETS</b>			
Fixed deposits	7	512,593	207,630
Cash at bank	7	645,076	964,910
Cash on hand	7	2,000	2,000
Other receivables, deposits		2,980	2,980
Prepayments		4,777	20,956
		<u>1,167,426</u>	<u>1,198,476</u>
<b>LESS:</b>			
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		<u>(9,671)</u>	<u>(12,845)</u>
		<u>1,248,770</u>	<u>1,245,929</u>
<b>REPRESENTED BY:</b>			
School reserve fund	8	566,041	566,041
Accumulated fund		105,878	105,944
Edusave fund	9	1,528	2,129
Designated donation fund	10	434,818	402,332
Discretionary Financial Assistance/MOE FAS grant	11	(17,025)	-
MOE Tote grant	12	(770)	(770)
Assistive device fund	13	3,592	34,307
MOE IT fund	14	4,137	22,808
Pocket money fund	15	1,975	1,975
Training votes	16	26,981	16,195
MOE enhancement fund	17	8,972	3,782
MOE capitation grant account	18	(243,314)	(243,314)
MOE R&R fund	19	272,396	281,657
Donated assets capitalisation fund	20	83,561	52,843
		<u>1,248,770</u>	<u>1,245,929</u>

See accompanying notes to financial statements.

Certified correct by:

  
 Tony Phua  
 Chairman

  
 Koh Poh Kwang  
 Secretary

  
 Bobby Lim  
 Hon. Treasurer

Singapore  
 Date: **9 SEP 2016**

**LIGHTHOUSE SCHOOL**

**STATEMENT OF INCOME AND EXPENDITURE**

**Year ended March 31, 2016**

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
<b>INCOME</b>			
Grant from MOE	18	1,115,619	967,816
Grant from NCSS		143,718	134,213
Grant from Tote Board Social Service Fund		244,321	228,162
School fees		14,300	11,060
Interest income		4,963	2,119
Other income		<u>112,354</u>	<u>77,809</u>
<b>Total income</b>		<u>1,635,275</u>	<u>1,421,179</u>
<b>LESS: EXPENSES</b>			
Depreciation	6	42,672	26,975
Teaching staff:			
- Salaries and bonus		884,112	798,841
- CPF contributions		108,276	90,082
Supporting staff:			
- Salaries and bonus		407,874	386,762
- CPF contributions		47,926	42,437
Maintenance		16,962	8,869
Supplies and materials		18,546	25,066
Utilities		27,411	32,623
Communications		10,028	9,496
Professional and other services		61,362	48,801
Staff welfare		8,736	9,559
Insurance, School Functions & Activities		<u>1,436</u>	<u>740</u>
<b>Total expenditure</b>		<u>1,635,341</u>	<u>1,480,251</u>
<b>Operating deficit</b>		<u>(66)</u>	<u>(59,072)</u>
<b>ADD: OTHER INCOME</b>			
Donations received:			
- Edusave fund	9	2,475	2,475
- Designated donated fund	10	124,716	53,144
- Assistive device fund	13	3,000	-
- Discretionary financial assistance/ MOE FAS grant	11	11,600	11,000
- MOE tote grant	12	-	3,800
- Training votes	16	17,037	23,857
- MOE enhancement fund	17	16,353	10,733
- Donated assets capitalisation fund	20	73,390	23,604
- School based awards grant	21	-	4,100
- MOE SCTL innovation grant	22	<u>-</u>	<u>25,043</u>
		<u>248,571</u>	<u>157,756</u>

**LIGHTHOUSE SCHOOL**

**STATEMENT OF INCOME AND EXPENDITURE (cont'd)**  
**Year ended March 31, 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<b>LESS: OTHER EXPENSES</b>			
Utilisation of:			
- Edusave fund	9	3,076	823
- Designated donated fund	10	92,230	72,306
- Discretionary financial assistance/ MOE FAS grant	11	28,625	16,000
- MOE tote grant	12	-	950
- Assistive device fund	13	33,715	187
- MOE IT fund	14	2,560	37,640
- Training votes	16	6,251	16,531
- MOE enhancement fund	17	11,163	16,218
- MOE R&R fund	19	9,261	9,078
- Amortisation of donated assets capitalisation fund	20	42,672	26,975
- School based awards grant	21	-	4,100
- MOE SCTL innovation grant	22	-	25,043
		<u>229,553</u>	<u>225,851</u>
<b>Net surplus (deficit) for the year transferred to accumulated fund, representing total comprehensive income for the year</b>		<b>18,952</b>	<b>(127,167)</b>
<b>Accumulated fund at beginning of year</b>		<b><u>105,944</u></b>	<b><u>165,016</u></b>
<u>Transfer (to) from other funds:</u>			
- Edusave fund	9	601	(1,652)
- Designated donated fund	10	(32,486)	19,162
- Discretionary financial assistance/ MOE FAS grant	11	17,025	5,000
- MOE tote grant	12	-	(2,850)
- Assistive device fund	13	30,715	187
- MOE IT fund	14	2,560	37,640
- Training votes	16	(10,786)	(7,326)
- MOE enhancement fund	17	(5,190)	5,485
- MOE R&R Fund	19	9,261	9,078
- Donated assets capitalisation fund	20	<u>(30,718)</u>	<u>3,371</u>
		<u>(19,018)</u>	<u>68,095</u>
<b>Accumulated fund at end of year</b>		<b><u>105,878</u></b>	<b><u>105,944</u></b>

See accompanying notes to financial statements.



**LIGHTHOUSE SCHOOL**

**STATEMENT OF CASH FLOWS**

**Year ended March 31, 2016**

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Operating activities</b>		
Net surplus (deficit)	18,952	(127,167)
Adjustments for:		
Depreciation expense	42,672	26,975
Interest income	<u>(4,963)</u>	<u>(2,119)</u>
Operating surplus (deficit) before working capital changes	56,661	(102,311)
Other receivables, deposits and prepayments (Note 14)	68	(7,842)
Other payables and accruals	<u>(3,174)</u>	<u>(4,228)</u>
Cash generated from (used in) operations	53,555	(114,381)
Interest received	4,963	2,119
Refund to MOE	<u>-</u>	<u>(598)</u>
Net cash from (used in) operating activities	<u>58,518</u>	<u>(112,860)</u>
<b>Investing activity</b>		
Purchase of property and equipment, representing net cash used in investing activity	<u>(73,389)</u>	<u>(23,604)</u>
Net decrease in cash and cash equivalents	(14,871)	(136,464)
Cash and cash equivalents at beginning of year	<u>1,174,540</u>	<u>1,311,004</u>
<b>Cash and cash equivalents at end of year (Note 7)</b>	<u>1,159,669</u>	<u>1,174,540</u>

See accompanying notes to financial statements.

## LIGHTHOUSE SCHOOL

### STATEMENT OF MONTHLY PUPIL ENROLMENT Year ended March 31, 2016

	<u>Total No. of Pupils*</u> (A)*	<u>No. of International Pupils**</u> (B)**	<u>No. of International Pupils***</u> (C)***
April 1, 2015	50	-	-
May 1, 2015	50	-	-
June 1, 2015	49	-	-
July 1, 2015	49	-	-
August 1, 2015	49	-	-
September 1, 2015	49	-	-
October 1, 2015	49	-	-
November 1, 2015	49	-	-
December 1, 2015	49	-	-
January 1, 2016	54	-	-
February 1, 2016	55	-	-
March 1, 2016	55	-	-

\* Total number of pupils eligible for funding (include international pupils who are children of employment pass holders, skilled workers or diplomatic staff).

\*\* International pupils who are children of employment pass holders, skilled workers or diplomatic staff.

\*\*\* International pupils who are not children of employment pass holders, skilled workers or diplomatic staff.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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

#### 1 ABBREVIATIONS USED IN THE FINANCIAL STATEMENTS

The abbreviations used in the financial statements are as follows:

MOE	:	Ministry of Education
NCSS	:	National Council of Social Services
SAVH	:	Singapore Association of the Visually Handicapped

#### 2 GENERAL

The School is registered under the Education Act and the Charities Act (Cap. 37). Its principal aim is to provide special education for children with visual and hearing impairment.

The principal place of business of the School is located at 51 Toa Payoh Rise, Singapore 298106. The financial statements are expressed in Singapore dollars.

The financial statements of the School for the year ended March 31, 2016 were authorised for issue by the School management committee on September 9, 2016.

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** - The financial statements are prepared in accordance with the historical cost basis, except as disclosed below, and are drawn up in accordance with Singapore Financial Reporting Standards (“FRS”) and the Rules and Regulations issued by the Ministry of Education and National Council of Social Services.

Other than Accumulated Fund, movements in funds are presented in the respective notes to the financial statements. No separate statement of changes in funds is presented. Accumulated fund is presented as part of the statement of income and expenditure on pages 5 and 6.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the School takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**ADOPTION OF NEW AND REVISED STANDARDS** - On April 1, 2015, the School has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the School's accounting policies and has no material effect on the amounts reported for the current or prior years.

Management has assessed that the new/revised FRSs, INT FRSs and amendments to FRSs which have been issued as at the date of authorisation of these financial statements but effective in future periods will not have a material effect on the financial statements in the period of their initial adoption.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on the School's statement of financial position when the School becomes a party to the contractual provisions of the instrument.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period.

##### **Financial assets**

##### Other receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through income or expenditure to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### Derecognition of financial assets

The School derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the School neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the School recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the School retains substantially all the risks and rewards of ownership of a transferred financial asset, the School continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Financial liabilities**

Other payables are stated at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method with interest expense recognised on an effective yield basis except for short-term payables when recognition of interest would be immaterial.

#### Derecognition of financial liabilities

The School derecognises financial liabilities when, and only when, the School's obligations are discharged, cancelled or they expire.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**PROPERTY AND EQUIPMENT** - Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

School building	-	20 years
Office furniture and equipment	-	3 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income or expenditure.

**IMPAIRMENT OF NON-FINANCIAL ASSETS** - At the end of each reporting period, the School reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the School estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimate of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income or expenditure.

**PROVISIONS** - Provisions are recognised when the School has a present obligation (legal or constructive) as a result of a past event, it is probable that the School will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**REVENUE RECOGNITION** - Revenue from school fees is recognised on an accrual basis in the period to which it relates.

Donations are recognised in the income or expenditure on an accrual basis when the donations are committed to the School. Donations-in-kind are recognised at the fair value of the assets received when it can be reasonably ascertained.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**GOVERNMENT GRANTS** - Government grants relating to expenditures which are not capitalised are credited to the income or expenditure as and when the underlying expenses are included and taken to the income and expenditure to match such related expenditure.



## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**RETIREMENT BENEFIT COSTS** - Payments to defined contribution retirement benefit plans are charged when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the School's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**EMPLOYMENT 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 end of the reporting period.

**FOREIGN CURRENCY TRANSACTIONS** - The financial statements of the School are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which the School operates (its functional currency).

In preparing the financial statements of the School, transactions in currencies other than the School's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in income or expenditure for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income or expenditure for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

**CASH AND CASH EQUIVALENTS** - Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# LIGHTHOUSE SCHOOL

## NOTES TO FINANCIAL STATEMENTS

March 31, 2016

### 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the School's accounting policies, which are described in Note 3, the management committee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### *Critical judgements in applying the School's accounting policies*

The management committee is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

#### *Key sources of estimation uncertainty*

The management committee is of the opinion that there are no key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

The following table sets out the financial instruments as at the end of the reporting period:

	<u>2016</u>	<u>2015</u>
	\$	\$
<u>Financial assets</u>		
Loan and receivables at amortised cost (including cash and cash equivalents)	1,162,649	1,177,520
<u>Financial liabilities</u>		
Amortised cost	<u>9,671</u>	<u>12,845</u>

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

The School does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

There has been no change to the School's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

##### i) Foreign exchange risk management

The School is not exposed to foreign currency risk as its transactions are substantially in Singapore dollars, which is the School's functional currency.

No sensitivity analysis is prepared as the School does not expect any material effect on the School's income or expenditure arising from the effects of reasonably possible changes to foreign exchange rate on the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the School's functional currency.

##### ii) Interest rate risk management

The School's cash and bank balances and fixed deposits are exposed to financial market risk due to fluctuations in interest rates, which may affect the School's interest income.

The School manages this exposure by performing ongoing evaluations on those balances. The School does not have any interest-bearing financial liabilities.

No sensitivity analysis is prepared as the School does not expect any material effect on the School's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

##### iii) Credit risk management

The carrying amounts of fixed deposits, cash and bank balances and other debtors represent the School's maximum exposure to credit risk in relation to financial assets.

Fixed bank deposits, cash and bank balances are placed with creditworthy financial institutions.

##### iv) Liquidity risk management

The School believes that liquidity risk is minimal as the School's operations are mainly funded by grants and donation. The School has ensured that sufficient liquidity is maintained through highly liquid assets in the form of cash at all times to meet its financial obligations as and when they fall due.

All the School's financial assets and liabilities are either payable on demand or due within one year from the end of the reporting period and non-interest bearing other than the fixed deposits as disclosed in Note 7.

##### v) Fair value of financial assets and financial liabilities

The School considers that the carrying amount of cash and cash equivalents and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of their financial instruments.

##### Capital risk management policies and objectives

The School reviews its capital structure at least annually to ensure that the School will be able to continue as a going concern. The capital structure of the School comprises only of funds and accumulated fund. The School's overall strategy remains unchanged from prior years.

**LIGHTHOUSE SCHOOL**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

**6 PROPERTY AND EQUIPMENT**

	<u>School building</u> \$	<u>Office furniture and equipment</u> \$	<u>Total</u> \$
Cost:			
At April 1, 2014	415,006	500,577	915,583
Additions	<u>-</u>	<u>23,604</u>	<u>23,604</u>
At March 31, 2015	415,006	524,181	939,187
Additions	<u>-</u>	<u>73,389</u>	<u>73,389</u>
At March 31, 2016	<u>415,006</u>	<u>597,570</u>	<u>1,012,576</u>
Accumulated depreciation:			
At April 1, 2014	415,005	436,909	851,914
Depreciation	<u>-</u>	<u>26,975</u>	<u>26,975</u>
At March 31, 2015	415,005	463,884	878,889
Depreciation	<u>-</u>	<u>42,672</u>	<u>42,672</u>
At March 31, 2016	<u>415,005</u>	<u>506,556</u>	<u>921,561</u>
Carrying amount:			
At March 31, 2016	<u>1</u>	<u>91,014</u>	<u>91,015</u>
At March 31, 2015	<u>1</u>	<u>60,297</u>	<u>60,298</u>

**7 CASH AND CASH EQUIVALENTS**

	<u>2016</u> \$	<u>2015</u> \$
Fixed deposits	512,593	207,630
Cash at bank	645,076	964,910
Cash on hand	<u>2,000</u>	<u>2,000</u>
	<u>1,159,669</u>	<u>1,174,540</u>

Fixed deposits bear average interest rate of 1.47% (2015 : 1.05%) per annum and for a tenure of approximately 365 days (2015 : 365 days) maturing in April 9, 2016 and November 9, 2016 (2015 : April 9, 2015).

**8 SCHOOL RESERVE FUND**

This pertains to the value of the assets transferred from SAVH when the School became independent from SAVH on April 1, 1990.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 9 EDUSAVE FUND

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	2,129	1,075
Donations received during the year	2,475	2,475
Utilised during the year	(3,076)	(823)
Refund to MOE during the year	<u>-</u>	<u>(598)</u>
Balance at end of year	<u>1,528</u>	<u>2,129</u>

This pertains to funds from MOE for expenditure associated with the School education programs.

#### 10 DESIGNATED DONATION FUND

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	402,332	421,494
Donations received during the year	124,716	53,144
Utilised during the year	<u>(92,230)</u>	<u>(72,306)</u>
Balance at end of year	<u>434,818</u>	<u>402,332</u>

This pertains to funds from donors for the purchase of specific items and expenditure.

#### 11 DISCRETIONARY FINANCIAL ASSISTANCE/ MOE FAS GRANT

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	-	5,000
Reimbursed from MOE during the year	11,600	11,000
Utilised during the year	<u>(28,625)</u>	<u>(16,000)</u>
Balance at end of year	<u>(17,025)</u>	<u>-</u>

This pertains to the grant received from MOE based on the School's enrolment, to assist students in paying for school fees, transport meals, medical and stationery. During the financial year, Lighthouse School has renamed this account from MOE FAS Grant to Discretionary Financial Assistance.

**LIGHTHOUSE SCHOOL**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2016**

12	MOE TOTE GRANT		
		<u>2016</u>	<u>2015</u>
		\$	\$
	Balance at beginning of year	(770)	(3,620)
	Reimbursed from MOE during the year	-	3,800
	Utilised during the year	-	(950)
	Balance at end of year	<u>(770)</u>	<u>(770)</u>

This pertains to funds received from MOE for purchased of IT equipment and training.

13	ASSISTIVE DEVICE FUND		
		<u>2016</u>	<u>2015</u>
		\$	\$
	Balance at beginning of year	34,307	34,494
	Addition during the year	3,000	-
	Utilised during the year	(33,715)	(187)
	Balance at end of year	<u>3,592</u>	<u>34,307</u>

This pertains to funds from MOE for the purchase of specific assistive devices.

14	MOE IT FUND		
		<u>2016</u>	<u>2015</u>
		\$	\$
	Balance at beginning of year	22,808	(1,652)
	Transfer from prepayment of MOE 3-Tier ICT Funds	(16,111)	-
	Transfer from MOE R&R fund (Note 19)	-	62,100
	Utilised during the year	(2,560)	(37,640)
	Balance at end of year	<u>4,137</u>	<u>22,808</u>

This fund is provided by MOE on a yearly basis for the purchase of educational software and equipment.

15	POCKET MONEY FUND		
		<u>2016</u>	<u>2015</u>
		\$	\$
	Balance at beginning and at end of year	<u>1,975</u>	<u>1,975</u>

This pertains to funds from NCSS for distribution to the needy students.

## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 16 TRAINING VOTES

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	16,195	8,869
Reimbursement during the year	17,037	23,857
Utilised during the year	<u>(6,251)</u>	<u>(16,531)</u>
Balance at end of year	<u>26,981</u>	<u>16,195</u>

This pertains to the course allowance granted to the staff each year. Each staff is entitled up to \$1,100 per year.

#### 17 MOE ENHANCEMENT FUND

	<u>2015</u>	<u>2014</u>
	\$	\$
Balance at beginning of year	3,782	9,267
Reimbursement during the year	16,353	10,733
Utilised during the year	<u>(11,163)</u>	<u>(16,218)</u>
Balance at end of year	<u>8,972</u>	<u>3,782</u>

The fund has been set up to promote and sustain school-based initiatives in enhancing the quality of the school curricula. The fund is to be utilised for employing suitable consultants, acquire curricula hardware and software.

#### 18 MOE CAPITATION GRANT ACCOUNT

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning and end of year	<u>(243,314)</u>	<u>(243,314)</u>

With effect from April 1, 2008, NCSS and MOE have converted the funding for the School to a programme funding model, and funding is based on the approved budget.

During the year, the School received a grant of \$1,115,619 (2015 : \$967,816). Included in this grant is an amount of \$21,913 (2015 : \$54,112) for staff seconded from MOE.



## LIGHTHOUSE SCHOOL

### NOTES TO FINANCIAL STATEMENTS

March 31, 2016

#### 19 MOE R&R FUND

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	281,657	352,835
Transfer to MOE IT fund (Note 14)	-	(62,100)
Utilised during the year	<u>(9,261)</u>	<u>(9,078)</u>
Balance at end of year	<u>272,396</u>	<u>281,657</u>

This fund is given by MOE to fund the School's efforts in the refurbishment of the School's premises.

#### 20 DONATED ASSETS CAPITALISATION FUND

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	52,843	56,214
Additions of donated fixed assets	73,390	23,604
Amortisation	<u>(42,672)</u>	<u>(26,975)</u>
Balance at end of year	<u>83,561</u>	<u>52,843</u>

This account was created to account for the fixed assets purchased using donations.

The fund represents the net book value of donated fixed assets at any time. The amortisation of this account also offsets the effect of depreciation of the donated assets recognised in the statement of income and expenditure.

#### 21 SCHOOL BASED AWARDS GRANT

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	-	-
Donations received during the year	-	4,100
Utilised during the year	<u>-</u>	<u>(4,100)</u>
Balance at end of year	<u>-</u>	<u>-</u>

This pertains to funds received from MOE to recognise achievements and progress of 'Special Education' (SPED) students.

**LIGHTHOUSE SCHOOL**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2016**

22 MOE SCTL INNOVATION GRANT

	<u>2016</u>	<u>2015</u>
	\$	\$
Balance at beginning of year	-	-
Donations received during the year	-	25,043
Utilised during the year	<u>-</u>	<u>(25,043)</u>
Balance at end of year	<u>-</u>	<u>-</u>

This pertains to funds received from MOE for uses to promote innovation in teaching and learning.

23 COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	<u>2016</u>	<u>2015</u>
	\$	\$
Short-term benefits	115,554	114,903
Post-employment benefits	<u>6,554</u>	<u>5,664</u>

The remuneration of key management is determined by the School having regard to the performance of individual.

24 TAX

The School is tax-exempt under Singapore Income Tax Act.