

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED

31 MARCH 2007

C. N. TIEW & Co.
Certified Public Accountants

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

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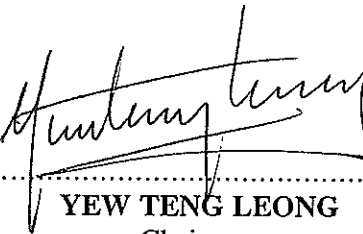
PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

STATEMENT BY THE SCHOOL MANAGEMENT COMMITTEE

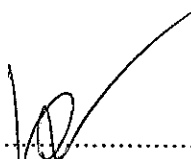
We, **YEW TENG LEONG** and **DENISE PHUA LAY PENG**, being two members of the School Management Committee, state that, in the opinion of the School Management Committee, the financial statements set out on pages 3 to 18 are drawn up so as to give a true and fair view of the state of affairs of the School as at 31 March 2007 and the income and expenditure, changes in Funds and cash flows of the School for the financial year ended on that date.

The School Management Committee has, on the date of this statement, authorised these financial statements for issue.

On behalf of the School Management Committee

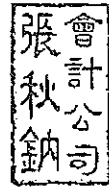


.....
YEW TENG LEONG
Chairman



.....
DENISE PHUA LAY PENG
School Supervisor/Acting Principal

DATED: 21 MAY 2007



**AUDITORS' REPORT FOR
PATHLIGHT SCHOOL
(Registered with the Ministry of Education)**

We have audited the accompanying balance sheet as at 31 March 2007, and the income statement, statement of changes in Funds and cash flow statement for the financial year ended on that date as set out on pages 3 to 17. These financial statements are the responsibility of management of the School Management Committee. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the School as at 31 March 2007 and of the income and expenditure, changes in Funds and cash flows of the School for the financial year ended on that date; and
- (b) the accounting and other records have been properly kept in accordance with the Rules and Regulations issued by the Ministry of Education.

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; nor that

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

We draw your attention to the fact that the financial statements for the financial year ended 31 March 2006 were not audited by us and our opinion does not relate to the results for that year which are presented for comparative purposes.

C. N. TIEW & CO.

Certified Public Accountants, Singapore

SINGAPORE, 21 MAY 2007

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

BALANCE SHEET AS AT 31 MARCH 2007

	Note	2007 S\$	2006 S\$
NON-CURRENT ASSET			
Equipment	4	680,096	581,127
CURRENT ASSETS			
Inventories	5	50,338	24,332
Other receivables	6	91,711	181,219
Cash at bank		1,530,813	514,434
Cash in hand		1,500	1,500
		1,674,362	721,485
CURRENT LIABILITY			
Other payables	7	430,074	414,857
NET CURRENT ASSETS		1,244,288	306,628
NET ASSETS		1,924,384	887,755
 REPRESENTED BY:			
Accumulated Funds	8	1,160,174	206,508
Other Funds	9	764,210	681,247
		1,924,384	887,755

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

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	Note	2007 S\$	2006 S\$
INCOME			
School fees	10	1,294,296	865,942
Grant from National Council of Social Service (NCSS)		-	232,344
Amortisation of Deferred Capital Grant		184,402	120,635
Interest income		19,382	9,690
Miscellaneous income		<u>1,423</u>	<u>1,252</u>
		1,499,503	1,229,863
Less:			
EXPENDITURE			
Allowance for doubtful school fees		10,397	-
Depreciation charges		200,299	120,635
Expenses not funded by MOE	11	1,088,063	857,717
Inventories written off		12,858	-
School fees written off		<u>400</u>	<u>-</u>
		1,312,017	978,352
		187,486	251,511
OVER FUNDING DUE TO NCSS		<u>-</u>	<u>232,344</u>
SURPLUS TRANSFERRED TO ACCUMULATED FUNDS		<u><u>187,486</u></u>	<u><u>19,167</u></u>

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

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	Opening balance	Receipts	Utilisations	Transfers	Movement for the year	Closing balance
	S\$	S\$	S\$	S\$	S\$	S\$
<u>2007</u>						
Deferred Capital Grant Fund	581,047	-	(184,402)	95,051	-	491,696
Information Technology Grant	-	20,000	(12,576)	(6,600)	-	824
MOE Edusave Grant	10,100	26,425	(19,780)	-	-	16,745
MOE Opportunity Fund	-	20,580	-	-	-	20,580
MOE Staff Training Vote	-	88,550	(18,603)	-	-	69,947
MOE TOTE Fund	-	47,769	-	(47,769)	-	-
Other Designated Donation Fund	100	-	-	-	-	100
President Challenge Fund	90,000	115,000	-	(40,682)	-	164,318
	<u>681,247</u>	<u>318,324</u>	<u>(235,361)</u>	<u>-</u>	<u>-</u>	<u>764,210</u>
Accumulated Funds	206,508	-	-	953,666	-	1,160,174
Surplus from Income Statement	-	-	-	(187,486)	187,486	-
Surplus from MOE Capitation	-	-	-	-	-	-
Account	-	-	-	(766,180)	766,180	-
	<u>206,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>953,666</u>	<u>1,160,174</u>
	<u>887,755</u>	<u>318,324</u>	<u>(235,361)</u>	<u>-</u>	<u>953,666</u>	<u>1,924,384</u>

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

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	Opening balance	Receipts	Utilisations	Transfers	Movement for the year	Closing balance
	S\$	S\$	S\$	S\$	S\$	S\$
<u>2006</u>						
Deferred Capital Grant Fund	149,332	-	(120,635)	552,350	-	581,047
Furniture and Equipment Grant	38,663	-	-	(38,663)	-	-
FY2005/2006 Operating Grant	-	49,380	-	(49,380)	-	-
Information Technology Grant	25,386	10,000	-	(35,386)	-	-
MOE - CCTV System Grant	-	12,600	-	(12,600)	-	-
MOE - Container Classroom Grant	-	356,500	-	(356,500)	-	-
MOE Edusave Grant	3,475	19,960	(13,335)	-	-	10,100
Other Designated Donation Fund	100	-	-	-	-	100
President Challenge Fund	90,000	-	-	-	-	90,000
School Start-Up Programme Fund	59,821	-	-	(59,821)	-	-
	<u>366,777</u>	<u>448,440</u>	<u>(133,970)</u>	<u>-</u>	<u>-</u>	<u>681,247</u>
Accumulated Funds	(45,516)	-	-	252,024	-	206,508
Adjustment for FY2003/04 amount due to NCSS/MOE	-	-	-	-	-	-
Surplus from Income Statement	-	-	-	(19,167)	19,167	-
Surplus from MOE Capitation Account	-	-	-	(80,158)	80,158	-
	<u>(45,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,024</u>	<u>206,508</u>
	<u>321,261</u>	<u>448,440</u>	<u>(133,970)</u>	<u>-</u>	<u>252,024</u>	<u>887,755</u>

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

PATHLIGHT SCHOOL
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CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	2007 S\$	2006 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the financial year	953,666	252,024
Adjustments for:		
Adjustments for underfunding by NCSS/MOE	-	79,645
Amortisation of Deferred Capitation Grant	(184,402)	(120,635)
Allowance for doubtful school fees	10,397	-
Depreciation charges	200,299	120,635
Inventories written off	12,858	-
School fees written off	400	-
Interest income	(19,382)	(9,690)
Operating surplus before working capital changes	973,836	321,979
Inventories	(38,864)	(4,927)
Other receivables	78,711	(56,147)
Other payables	15,217	(92,536)
Cash generated from operations	1,028,900	168,369
Interest received	19,382	9,690
Net Cash From Operating Activities	1,048,282	178,059
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(299,268)	(552,349)
Net Cash Used In Investing Activities	(299,268)	(552,349)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants received, net of utilisation	267,365	78,604
Net Cash From Financing Activities	267,365	78,604
Net Increase/(Decrease) in Cash and Cash Equivalents	1,016,379	(295,686)
CASH AND CASH EQUIVALENTS		
At beginning of the year	515,934	811,620
At end of the year	1,532,313	515,934
Cash and cash equivalent includes:		
Cash in hand	1,500	1,500
Cash at bank	1,530,813	514,434
	1,532,313	515,934

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

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

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

1. GENERAL

The financial statements were authorised for issue by the School Management Committee on 21 May 2007.

The School was registered with the Ministry of Education (MOE). The registered office of the School is located at No. 6, Ang Mo Kio Street 44, Singapore 569253.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRSs), including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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 only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The adoption of new or revised FRSs and Interpretations to FRS (INT FRS) that are applicable in current financial year and relevant to the School does not have material impact on the accounting policies and figures presented in the financial statements for the financial year ended 31 March 2007.

2.2 Measurement and presentation currency

The financial statements are measured and presented in Singapore Dollars (S\$)

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Equipment

Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis so as to write-off the cost of the assets over their estimated useful lives, as follows:

	Number of years
Office equipment and furniture and fittings	4
Renovations and improvements	4 to 5
Teaching aids and equipment	4

The residual values and useful lives of equipment are reviewed, and adjusted as appropriate, at each balance sheet date.

Subsequent expenditure relating to equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

On disposal of an item of equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

2.4 Inventories

Inventories, comprising books and uniforms, are stated at the lower of cost and net realisable value, cost being determined on the first-in, first-out basis. In arriving at the net realisable value, due allowance is made for obsolete, damaged and slow-moving items.

2.5 Financial assets

Financial assets within the scope of FRS 39 are classified as loans and receivables. Financial assets are recognised on the balance sheet when, and only when, the School becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transactions costs. The School determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Financial assets (continued)

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

The School assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the income statement.

2.6 Receivables

Receivables are measured at initial recognition at fair value and subsequently at amortised cost using the effective interest rate method less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

The carrying amounts of current receivables are assumed to approximate their fair values at the reporting date.

2.7 Payables

Payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

The carrying amounts of current payables are assumed to approximate their fair values at the reporting date.

2.8 Related parties

Related parties are entities with common direct key management personnel. Parties are also considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Transactions with related parties are carried out in the normal course of business based on terms agreed between the parties.

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Revenue recognition

Grants to fund operating expenses and income from services rendered are taken up on an accrual basis. Based on the funding principles, accruals are made for any over/under funding payable to/from the Government and the National Council of Social Service (NCSS). In the year where the income exceeded NCSS's share of the actual expenditure, no disbursement will be received from NCSS.

General income is recognised on an accrual basis.

Interest income is recognised on a time proportion basis using the effective interest rate.

2.10 Capital donations/Grants

Grants received for purchase of capital assets are accounted for in the respective Capital Fund accounts. Amounts utilised for the purchase of equipment are transferred to the Deferred Capital Grant account and amortised over the useful lives of the related assets to match the depreciation of the assets purchased with the related grants.

2.11 Impairment of assets

Equipment is reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. higher of the cash-generating unit's fair value less cost to sell and value in use) of the asset is estimated to determine the amount of the impairment loss.

For the purpose of impairment testing of these 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 to which the asset belongs to.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation reserve.

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of assets (continued)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's 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 amortisation or 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 income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.12 Employee benefits

As required by law, the School makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised as compensation expenses in the same period as employment that gives rise to the contributions. These expenses are charged to the income statement as and when they arise and are disclosed as part of staff costs.

2.13 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are taken to the income statement on a straight-line basis over the period of the lease.

3. MISSION

The mission of the School is to develop and deliver education services to students on the autism spectrum disorder.

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

4. EQUIPMENT

	Office equipment and furniture and fittings S\$	Renovations and improvements S\$	Teaching aids and equipment S\$	Motor vehicle S\$	Total S\$
Cost					
At 1 April 2006	311,647	338,847	96,783	1	747,278
Additions	161,960	126,702	10,606	-	299,268
At 31 March 2007	<u>473,607</u>	<u>465,549</u>	<u>107,389</u>	<u>1</u>	<u>1,046,546</u>
Accumulated depreciation					
At 1 April 2006	104,098	38,541	23,512	-	166,151
Charges for the year	98,818	76,163	25,318	-	200,299
At 31 March 2007	<u>202,916</u>	<u>114,704</u>	<u>48,830</u>	<u>-</u>	<u>366,450</u>
Depreciation charges for 2006					
	<u>62,325</u>	<u>38,541</u>	<u>19,769</u>	<u>-</u>	<u>120,635</u>
Carrying amount					
At 31 March 2007	<u>270,691</u>	<u>350,845</u>	<u>58,559</u>	<u>1</u>	<u>680,096</u>
At 31 March 2006	<u>207,549</u>	<u>300,306</u>	<u>73,271</u>	<u>1</u>	<u>581,127</u>

5. INVENTORIES

	2007 S\$	2006 S\$
At cost		
Handbooks	833	857
School uniforms	47,464	20,496
Text and exercise books	2,041	2,979
	<u>50,338</u>	<u>24,332</u>

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

6. OTHER RECEIVABLES

	2007	2006
	S\$	S\$
Advance payments	25,317	17,009
Amount due by MOE	-	113,500
Deposits	400	300
School fees receivable	65,629	13,850
Sundry receivables	365	36,560
	<u>91,711</u>	<u>181,219</u>

7. OTHER PAYABLES

	2007	2006
	S\$	S\$
Accruals	74,155	63,423
Accounts payables	11,286	9,791
School fees received in advance	112,289	84,750
Amount due to ARC	-	15,349
Amount due to NCSS	232,344	241,544
	<u>430,074</u>	<u>414,857</u>

The amount due to ARC refers to payments paid on behalf of Pathlight School by its parent agency, Autism Resource Centre (Singapore) (ARC), for professional autism consultancy services rendered and salaries paid on behalf of Pathlight School.

8. ACCUMULATED FUNDS

The surplus from MOE Capitation Account has been transferred to the Accumulated Fund as NCSS has advised the Pathlight School that there will be no over/under funding for MOE share of funding for schools and schools can carry forward the unspent amount.

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

9. OTHER DESIGNATED FUNDS

- 9.1 Deferred Capital Grant accounts for the purchase of capital assets via utilisation of designated funds less accumulated amortisation which are matched to the depreciation charges of corresponding equipment acquired using these funds.
- 9.2 Furniture and Equipment Grant was set up for the purchase of furniture and equipment for the School.
- 9.3 FY2005/2006 Operating Grant was set up for the grant received for operating expenses in that year.
- 9.4 Information Technology Grant was set up for the purchase of IT software, courseware and educational software.
- 9.5 MOE - CCTV System Grant was set up for the purchase of a CCTV system.
- 9.6 MOE - Container Classroom Grant was set up for the purchase of containers to act as classrooms.
- 9.7 MOE Edusave Grant represents funds received from MOE based on the number of eligible students for funding enrichment programmes and related expenses.
- 9.8 MOE Opportunity Fund was set up to level up co-curricular development opportunities for Singapore citizen students from lower income households.
- 9.9 MOE Staff Training Vote was setup to provide co-funding for training programme including training courses, conferences, seminars and study trips.
- 9.10 MOE TOTE Fund was set up for the purchase of library books and magazines, audio, video and IT equipment, courseware and online resources, and IT related training for teachers and pupils.
- 9.11 Other Designated Donation Fund was set up to receive donations.
- 9.12 President Challenge Fund was set up for the purchase of literacy assessment teaching materials and setting up of computer laboratory. It was also used for the purchase of therapy equipment and specialist services for literacy acceleration program.
- 9.13 School Start-Up Programme Fund was set up for the purpose of acquiring physical assets for the commencement of school operations.

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

10. SCHOOL FEES

	2007	2006
	S\$	S\$
Income from school fees	1,772,300	1,161,000
Less:		
School fees subsidies	(477,063)	(294,240)
Other subsidies	(941)	(818)
	1,294,296	865,942

11. EXPENSES NOT FUNDED BY MOE

	2007	2006
	S\$	S\$
Total expenditure incurred	4,184,856	3,009,533
Less:		
MOE share at 74.0% (2006: 71.5%) grant eligibility	(3,096,793)	(2,151,816)
	1,088,063	857,717

12. STAFF COSTS

	2007	2006
	S\$	S\$
Salaries and allowances	3,208,929	2,229,467
CPF contributions	379,730	250,533
	3,588,659	2,480,000

PATHLIGHT SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

13. OPERATING LEASE COMMITMENTS

At the balance sheet date, the School has the following future minimum lease payments under non-cancellable operating leases:

	2007 S\$	2006 S\$
Payable:		
Not later than 1 year	16,776	-
Later than 1 year but not later than 5 years	73,410	-
	<u>90,186</u>	<u>-</u>

Rental expense incurred during the financial year was amounted to S\$64,146 (2006: S\$35,086).

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, there were significant related party transactions, at terms agreed between the parties, as follows:

	2007 S\$	2006 S\$
Expenses paid on behalf of the School		
by a related party	46,597	58,080
Expenses paid on behalf of a related party		
by the School	30,232	19,639
Receipts collected on behalf of the School		
by a related party	6,765	-
Purchases from a related party	12,502	6,184
Services rendered by related parties	<u>245,675</u>	<u>386,259</u>

15. FINANCIAL RISK MANAGEMENT

The main risks arising from the School's financial instruments are interest rate risk, liquidity risk and credit risk. The policies for managing each of these risks are summarised as follows:

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NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2007

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.1 Interest rate risk

Interest rate risk is the risk to earnings and value of financial instruments caused by fluctuations in interest rates.

The School's exposure to risk for changes in interest rates relates primarily to its interest bearing bank deposits.

The School adopts a policy of constantly monitoring movements in interest rates. Presently, the School does not use derivative financial instruments to hedge its interest rate risk.

15.2 Liquidity risk

Liquidity risk is the risk the School is unable to meet its cash flow obligations as and when they fall due.

The School monitors its cash flow actively. The management expect the cash flows generated from normal course of operations, together with funding from MOE, to be adequate to ensure liquidity.

15.3 Credit risk

Credit risk is the potential loss arising from any failure by the customers or debtors to fulfill their obligations as and when these obligations fall due.

The carrying amounts of the financial assets represent the School's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

16. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the balance sheet when the School becomes a party to the contractual provisions of the instrument.

The School Management Committee is of the view that the fair values of the financial assets and liabilities as at the balance sheet date approximate their carrying amounts as disclosed in the balance sheet and in the notes to the financial statements.

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

MOE CAPITATION GRANT ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	2007	2007	2006	2006
	S\$	S\$	S\$	S\$
OPENING BALANCE		-		-
INCOME				
Grant disbursed		<u>3,862,973</u>		<u>2,231,974</u>
Less:				
EXPENDITURE				
Salaries, allowances and CPF contributions				
- Teaching staff	2,994,678		2,044,990	
- Professional staff	254,835		91,037	
- Supporting staff	339,146		343,973	
Maintenance	47,117		40,078	
Rental	64,146		35,086	
Supplies and materials	117,133		67,949	
Utilities	56,581		47,482	
Communications	25,509		14,825	
Professional and other services	189,865		160,354	
Staff development and training	5,648		63,335	
Staff welfare	39,557		39,105	
School functions	11,620		11,939	
Equipment	39,021		49,380	
TOTAL EXPENDITURE		4,184,856		3,009,533
MOE'S SHARE AT 74.0% (2006: 71.5%) GRANT ELIGIBILITY		<u>3,096,793</u>		<u>2,151,816</u>
SURPLUS FOR THE FINANCIAL YEAR		766,180		80,158
SURPLUS TRANSFERRED TO ACCUMULATED FUNDS		<u>(766,180)</u>		<u>(80,158)</u>
CLOSING BALANCE		<u>-</u>		<u>-</u>

PATHLIGHT SCHOOL
(Registered with the Ministry of Education)

**STATEMENT OF MONTHLY PUPIL ENROLMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

	Total Number of Pupils (a)	Number of Foreign Pupils (b)	Number of Foreign Pupils (c)
1 April 2006	249	-	-
1 May 2006	251	1	-
1 June 2006	250	1	-
1 July 2006	296	1	-
1 August 2006	296	1	-
1 September 2006	297	1	-
1 October 2006	297	1	-
1 November 2006	297	1	-
1 December 2006	296	1	-
1 January 2007	347	1	-
1 February 2007	349	1	-
1 March 2007	354	1	-

- (a) Total number of pupils eligible for capitation grant (include foreign students who are children of employment pass holders, skilled workers and diplomatic staff).
- (b) Foreign students who are children of employment pass holders, skilled workers and diplomatic staff.
- (c) Foreign students who are not children of employment pass holders, skilled workers and diplomatic staff.

Note: Foreign students are those who are not Singaporean Citizen or Permanent Resident status.