

**LOVING HEART MULTI-SERVICE
CENTRE**

[UEN. T03SS0014A]

[Registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019**

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Fiducia LLP

(UEN. T10LL0955L)
Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846 8376
F: (65) 6491 5218

STATEMENT BY THE MANAGEMENT COMMITTEE


In the opinion of the Management Committee, the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Loving Heart Multi-Service Centre ("the Centre") as at 31 March 2019 and of the results, changes in funds and cash flows of the Centre for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Centre 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 **10 SEP 2019**

Teng Su Ching	President	
S Malaiya Maran	Vice-President	
Lawrence Ng Kok Kiang	Vice-President	
Mabel Chin Vi Ki	Treasurer	(Resigned on 6 January 2019)
Lena Lee Siow Ling	Assistant Treasurer	
Patrick Tan Tse Chia	Secretary	
Lee Teik Sein	Assistant Secretary	
Cheong Boon Leong Arthur	Member	
Vinson Chua Chin Wei	Member	
Phua Ai Lian	Member	(Resigned on 6 January 2019)
Loke Wai Chiong	Member	
Sim Seo Lian Pauline	Member	

For and on behalf of the Management Committee,



Teng Su Ching
President



Lena Lee Siow Ling
Assistant Treasurer

Singapore, **10 SEP 2019**

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Excalibur Centre, #08-01
Singapore 408571
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Independent auditor's report to the members of:

LOVING HEART MULTI-SERVICE CENTRE

[UEN. T03SS0014A]
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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Loving Heart Multi-Service Centre (the "Centre"), which comprise the statement of financial position as at 31 March 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Centre for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Centre as at 31 March 2019, and the results, changes in funds and cash flows of the Centre for the financial year ended on that date.

Basis for Opinion

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

Other information

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

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

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

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(CONT'D)

Independent auditor's report to the members of:

LOVING HEART MULTI-SERVICE CENTRE

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent auditor's report to the members of:

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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

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

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

- (a) the Centre has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Centre has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **10 SEP 2019**

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

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

	Note	Unrestricted fund S\$	Restricted funds						Total unrestricted and restricted funds S\$				
			Care and Share S\$	VCF Consultancy S\$	Medical Escort S\$	CST S\$	SG Cares S\$	SAC S\$		Shared Service S\$	Other grants S\$	Total restricted funds S\$	
2019 INCOME													
Income from generating funds													
Voluntary income													
Donations :													
Donation - Non-tax exempt		258,316	0	0	0	0	0	0	0	0	0	0	258,316
Donation - Tax exempt	5	500	0	0	0	0	0	0	0	0	0	0	500
		<u>258,816</u>											<u>258,816</u>
Grants :													
AIC - Community Care Training		0	0	0	0	0	0	0	0	0	0	0	947
MSF - Care and Share Grant		0	78,732	0	0	0	0	0	0	0	0	0	78,732
MSF - Operation grant for SAC		0	0	0	0	0	155,342	0	0	0	0	0	155,342
MOH - Community Silver Trust (CST)		0	0	0	245,529	0	0	0	0	0	0	0	245,529
NCSS - VCF Consultancy Grant		0	0	4,224	0	0	0	0	0	0	0	0	4,224
NCSS - VCF-ICT		0	0	0	0	0	410	0	0	0	0	0	410
NCSS - VCF Shared Service Grant		0	0	0	0	0	0	2,330	0	0	0	0	2,330
NCSS - Tote Board Social Service Fund		0	0	0	0	0	0	0	0	0	0	0	38,405
NCSS - SG Cares		0	0	0	0	8,278	0	0	0	0	0	0	8,278
Singtel Sponsorship		480	0	0	0	0	0	0	0	0	0	0	480
		<u>480</u>	<u>78,732</u>	<u>4,224</u>	<u>0</u>	<u>245,529</u>	<u>8,278</u>	<u>2,330</u>	<u>194,157</u>	<u>2,330</u>	<u>947</u>	<u>534,197</u>	<u>534,677</u>
Activities for generating funds													
Birthday celebration	5	0	0	0	0	0	0	0	0	0	0	0	10,225
Centre's activities	5	32,588	0	0	0	0	27,806	0	0	0	0	0	60,394
		<u>32,588</u>							<u>38,031</u>				<u>70,619</u>
Total income from generating funds		<u>291,884</u>	<u>78,732</u>	<u>4,224</u>	<u>0</u>	<u>245,529</u>	<u>8,278</u>	<u>232,188</u>	<u>2,330</u>	<u>2,330</u>	<u>947</u>	<u>572,228</u>	<u>864,112</u>
Income from charitable activities													
Grant - MOH		0	0	0	39,481	0	0	0	0	0	0	0	39,481
Grant - SWCDC		0	0	15,946	0	0	0	0	0	0	0	0	15,946
Income - medical escort	5	0	0	13,531	0	0	0	0	0	0	0	0	13,531
		<u>0</u>	<u>0</u>	<u>68,958</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68,958</u>	<u>68,958</u>
Other income													
Employment grants		16,325	0	0	0	0	0	0	0	0	0	0	16,325
Interest income	5	20,574	0	0	0	0	641	0	0	0	0	641	21,215
Miscellaneous income	5	35	0	0	0	0	2,000	0	0	0	0	2,000	2,035
		<u>36,934</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,641</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,641</u>	<u>39,575</u>
TOTAL INCOME		<u>328,818</u>	<u>78,732</u>	<u>4,224</u>	<u>68,958</u>	<u>245,529</u>	<u>8,278</u>	<u>234,829</u>	<u>2,330</u>	<u>2,330</u>	<u>947</u>	<u>643,827</u>	<u>972,645</u>

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

Note	Unrestricted fund	Restricted funds							Total unrestricted and restricted funds		
		General fund	Care and Share	VCF Consultancy	Medical Escort	CST	SG Cares	SAC		Shared Service	Other grants
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2019 (CONT'D)											
EXPENDITURES											
Cost of generating funds											
8	0	24,765	0	0	0	0	0	9,458	0	0	34,223
	0	822	0	0	0	7,030	1,253	13,697	0	0	22,802
8	0	0	0	0	0	4,448	0	17,534	0	0	21,982
7	0	0	0	0	0	42,550	0	25,370	0	0	67,920
	4,163	0	0	0	0	3,234	0	1,715	0	0	9,112
8	0	288	0	0	0	4,776	0	5,053	0	0	10,117
	4,163	25,875	0	0	0	62,038	1,253	72,827	0	0	160,120
Cost of charitable activities											
	0	1,284	0	0	0	0	0	0	0	0	1,284
	0	0	0	0	0	0	0	9,629	0	0	9,629
8	0	(8,532)	0	8,532	0	8,592	0	0	0	0	8,592
	0	(1,290)	0	26,450	0	6,486	0	0	0	0	31,646
	0	0	0	1,183	0	0	0	0	0	0	1,183
	0	600	0	0	0	4,992	0	0	0	0	5,592
7	0	26,501	0	32,793	0	94,052	0	76,113	0	0	229,459
	0	130	0	0	0	430	0	0	0	0	560
	0	18,693	0	68,958	0	114,552	0	85,742	0	0	287,945

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

	Note	Unrestricted fund				Restricted funds				Total unrestricted and restricted funds	
		General fund	Care and Share	VCF Consultancy	Medical Escort	CST	SG Cares	SAC	VCF Shared Service		Other grants
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2019 (CONT'D)											
EXPENDITURES (CONT'D)											
Governance and administrative costs											
Accounting fees		0	0	0	0	9,253	0	3,488	2,330	0	15,071
Auditor's remuneration		0	198	0	0	4,959	0	1,905	0	0	7,062
Bank charges		0	4	0	0	200	0	104	0	0	308
Conservancy charge		0	46	0	0	232	0	1,096	0	0	1,374
Consultancy fee		0	3,064	4,224	0	2,486	0	0	0	947	9,774
Course fee		0	48	0	0	633	194	0	0	0	1,822
Depreciation	8	0	8,163	0	0	7	83	5,109	0	0	13,362
General expenses		0	0	0	0	445	0	0	0	0	445
Insurance		0	213	0	0	1,629	58	677	0	0	2,577
IT equipment		0	0	0	0	411	0	70	0	0	481
Karaoke equipment		0	0	0	0	0	0	95	0	0	95
Leasing of photocopy machine		1,745	0	0	0	83	0	0	0	0	1,828
Licence fees		0	0	0	0	0	0	400	0	0	400
Newspaper / Magazine		0	89	0	0	468	0	625	0	0	1,182
Office equipment		0	279	0	0	2,190	0	2,571	0	0	5,040
Office refreshments		0	0	0	0	475	0	0	0	0	475
Office supplies		0	167	0	0	216	0	1,150	0	0	1,533
Parking fees		0	7	0	0	98	13	0	0	0	118
Postage and courier		0	0	0	0	297	0	15	0	0	312
Printing and stationery		0	929	0	0	2,405	0	2,110	0	0	5,444
Rental of premises	8	0	463	0	0	649	0	4,384	0	0	5,496
Repair and maintenance		0	310	0	0	3,487	0	1,956	0	0	5,753
Staff costs	7	0	18,579	0	0	33,988	6,595	32,300	0	0	91,462
Staff welfare		0	40	0	0	137	0	341	0	0	518
Telephone expenses		0	296	0	0	3,660	0	1,381	0	0	5,337
Transportation		0	3	0	0	440	82	158	0	0	683
Utilities	8	0	1,266	0	0	0	0	1,263	0	0	2,529
Volunteer management activity		0	0	0	0	91	0	0	0	0	91
		1,745	34,164	4,224	0	68,939	7,025	61,198	2,330	947	178,827
TOTAL EXPENDITURES		5,908	78,732	4,224	68,958	245,529	8,278	219,767	2,330	947	628,765
NET SURPLUS		322,910	0	0	0	0	0	15,062	0	0	15,062
											337,972

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

	Note	Unrestricted fund S\$	Restricted funds						Total unrestricted and restricted funds S\$
			Care and Share S\$	VCF Consultancy S\$	Medical Escort S\$	SAC S\$	Shared Service S\$	Other grants S\$	
2018 INCOME									
Income from generating funds									
Voluntary income									
Donations :									
Donation - Non-tax exempt		4,235	0	0	0	122	0	0	4,357
Donation - Tax exempt		2,925	0	0	0	0	0	0	2,925
	5	7,160	0	0	0	122	0	0	7,282
Grants :									
AIC - Community Care Training		0	0	0	0	0	0	540	540
MSF - Care & Share		0	257,059	0	0	0	0	0	257,059
MSF - Operation grant for SAC		0	0	0	0	153,300	0	0	153,300
NCSS - VCF Consultancy Grant		0	0	13,923	0	0	0	0	13,923
NCSS - VCF - ICT		0	0	0	0	0	0	521	521
NCSS - VCF Shared Service Grant		0	0	0	0	4,137	0	0	4,137
NCSS - Tote Board Social Service Fund		0	0	0	0	37,808	0	0	37,808
NCSS - Share as One		0	0	0	0	0	0	6,186	6,186
Singtel Sponsorship		480	0	0	0	0	0	0	480
		480	257,059	13,923	0	191,108	4,137	7,247	473,954
Activities for generating funds									
Birthday celebration	5	0	0	0	0	11,037	0	0	11,037
Centre's activities	5	13,495	0	0	0	27,413	0	0	40,908
		13,495	0	0	0	38,450	0	0	51,945
Total income from generating funds		21,135	257,059	13,923	0	229,680	4,137	7,247	533,181
Income from charitable activities									
Grant - MOH		0	0	0	33,293	0	0	0	33,293
Grant - SWCDC		0	0	14,909	0	0	0	0	14,909
Income - medical escort	5	0	0	10,911	0	0	0	0	10,911
		0	0	59,113	0	0	0	0	59,113
Other income									
Employment grants		13,463	0	0	0	0	0	0	13,463
Interest income	5	10,766	0	0	0	537	0	0	11,303
Miscellaneous income	5	0	0	0	0	3,327	0	0	3,327
		24,229	0	0	0	3,864	0	0	28,093
TOTAL INCOME		45,364	257,059	13,923	59,113	233,544	4,137	7,247	620,387

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

	Note	Unrestricted fund		Restricted funds						Total and unrestricted funds S\$	
		General fund S\$		Care and Share S\$	VCF Consultancy S\$	Medical Escort S\$	SAC S\$	Shared Service S\$	Other grants S\$		Total restricted funds S\$
2018 (CONT'D)											
EXPENDITURES											
Cost of generating funds											
Depreciation	8	0	24,765	0	0	0	9,101	0	0	33,866	33,866
Event expenses		0	1,932	0	0	0	7,177	0	6,186	15,295	15,295
Rental of premises	8	0	4,448	0	0	0	17,961	0	0	22,409	22,409
Staff costs	7	0	32,563	0	0	0	20,831	0	0	53,394	53,394
Trainer allowance		0	8,025	0	0	0	3,624	0	0	11,649	11,649
Utilities	8	0	3,948	0	0	0	4,509	0	0	8,457	8,457
		0	75,681	0	0	0	63,203	0	6,186	145,070	145,070
Cost of charitable activities											
Audit fees		0	535	0	0	833	0	0	0	1,368	1,368
Birthday celebration		0	0	0	0	0	10,603	0	0	10,603	10,603
Depreciation		68	5,002	0	0	7,795	0	0	0	12,797	12,865
Medical Escort	8	0	9,202	0	0	14,343	0	0	0	23,545	23,545
Repair and maintenance		0	441	0	0	688	0	0	0	1,129	1,129
Sponsorship - Others		2,227	685	0	0	0	0	0	0	685	2,912
Staff costs	7	0	87,589	0	0	35,454	62,494	0	0	185,537	185,537
Volunteer - Silver Heart		0	480	0	0	0	0	0	0	480	480
		2,295	103,934	0	0	59,113	73,097	0	0	236,144	238,439

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

	Note	Unrestricted fund		Restricted funds							Total unrestricted and restricted funds S\$	
		General fund S\$		Care and Share S\$	VCF Consultancy S\$	Medical Escort S\$	SAC S\$	Shared Service S\$	Other grants S\$	Total restricted funds S\$		
2018 (CONT'D) EXPENDITURES (CONT'D) Governance and administrative costs												
Accounting fees		0		5,201	0	0	0	2,713	4,137	0	12,051	12,051
Auditor's remuneration		0		4,302	0	0	0	2,118	0	0	6,420	6,420
Bank charges		127		0	0	0	0	24	0	0	151	151
Conservancy charge		278		0	0	0	0	1,096	0	0	1,096	1,374
Consultancy fee		0		2,941	13,923	0	0	0	0	540	17,404	17,404
Course fee		0		1,612	0	0	0	0	0	0	1,612	1,612
Depreciation	8	0		7,365	0	0	0	4,755	0	341	12,461	12,461
General expenses		286		0	0	0	0	59	0	0	345	345
Insurance		1,147		0	0	0	0	476	0	0	1,623	1,623
IT equipment		0		37	0	0	0	0	0	0	37	37
Leasing of photocopier machine		2,286		0	0	0	0	0	0	0	2,286	2,286
Licence fees		0		0	0	0	0	400	0	0	400	400
Newspaper / Magazine		604		0	0	0	0	631	0	0	1,235	1,235
Office equipment		11		2,367	0	0	0	485	0	180	3,043	3,043
Office refreshments		473		0	0	0	0	0	0	0	473	473
Office supplies		84		0	0	0	0	294	0	0	378	378
Postage and courier		141		0	0	0	0	0	0	0	141	141
Printing and stationery		2,730		0	0	0	0	1,805	0	0	1,805	4,535
Rental of premises	8	1,112		0	0	0	0	4,490	0	0	4,490	5,602
Repair and maintenance		1,614		1,727	0	0	0	2,008	0	0	3,735	5,349
Staff costs	7	441		51,892	0	0	0	28,133	0	0	80,025	80,466
Staff welfare		141		0	0	0	0	302	0	0	302	443
Telephone expenses		2,619		0	0	0	0	1,093	0	0	1,093	3,712
Transportation		11		0	0	0	0	64	0	0	64	75
Utilities	8	988		0	0	0	0	1,127	0	0	1,127	2,115
		15,093		77,444	13,923	0	0	52,073	4,137	1,061	148,638	163,731
TOTAL EXPENDITURES		17,388		257,059	13,923	59,113	188,373	4,137	7,247	529,852	547,240	547,240
NET SURPLUS		27,976		0	0	0	45,171	0	0	45,171	73,147	73,147

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and bank balances	9	1,743,523	1,565,537
Other receivables	10	55,463	30,839
		<u>1,798,986</u>	<u>1,596,376</u>
Non-current asset			
Property, plant and equipment	11	<u>96,789</u>	<u>131,784</u>
Total assets		<u>1,895,775</u>	<u>1,728,160</u>
LIABILITIES			
Current liabilities			
Other payables	12	69,966	56,033
Deferred capital grants	13	86,093	115,696
Grants received in advance	14	466,846	621,533
		<u>622,905</u>	<u>793,262</u>
Total liabilities		<u>622,905</u>	<u>793,262</u>
NET ASSETS		<u>1,272,870</u>	<u>934,898</u>
FUNDS			
Unrestricted funds			
General fund	15	621,435	298,525
Designated fund	15	509,439	509,439
		<u>1,130,874</u>	<u>807,964</u>
Restricted funds			
Yuhua Senior Activities Centre ("SAC")	16	<u>141,996</u>	<u>126,934</u>
TOTAL FUNDS		<u>1,272,870</u>	<u>934,898</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Balance at beginning of financial year S\$	Net surplus S\$	Transfer of funds S\$	Balance at end of financial year S\$
2019				
Unrestricted funds				
General fund	298,525	322,910	0	621,435
Designated fund	509,439	0	0	509,439
	<u>807,964</u>	<u>322,910</u>	<u>0</u>	<u>1,130,874</u>
Restricted funds				
Yuhua Senior Activities Centre ("SAC")	126,934	15,062	0	141,996
Total funds	<u>934,898</u>	<u>337,972</u>	<u>0</u>	<u>1,272,870</u>
	Balance at beginning of financial year S\$	Net surplus S\$	Transfer of funds S\$	Balance at end of financial year S\$
2018				
Unrestricted funds				
General fund	269,649	27,976	900	298,525
Designated fund	510,339	0	(900)	509,439
	<u>779,988</u>	<u>27,976</u>	<u>0</u>	<u>807,964</u>
Restricted funds				
Yuhua Senior Activities Centre ("SAC")	81,763	45,171	0	126,934
Total funds	<u>861,751</u>	<u>73,147</u>	<u>0</u>	<u>934,898</u>

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net surplus		337,972	73,147
Adjustments for:			
- Depreciation	11	56,177	59,192
- Interest income		(21,215)	(11,303)
Operating cash flow before changes in working capital		<u>372,934</u>	<u>121,036</u>
Changes in working capital			
- Other receivables		(17,342)	(19,707)
- Other payables		13,933	12,349
- Deferred income		(184,290)	225,547
Cash generated from operations		<u>185,235</u>	<u>339,225</u>
Bank interest received		640	1,007
Net cash generated from operating activities		<u>185,875</u>	<u>340,232</u>
Cash flows from investing activities			
Fixed deposit interest received		13,293	10,296
Purchase of property, plant and equipment	11	(21,182)	(6,340)
Net cash (used in) / generated from investing activities		<u>(7,889)</u>	<u>3,956</u>
Net increase in cash and cash equivalents		177,986	344,188
Cash and cash equivalents at beginning of financial year		<u>1,565,537</u>	<u>1,221,349</u>
Cash and cash equivalents at end of financial year	9	<u>1,743,523</u>	<u>1,565,537</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

1. General information

Loving Heart Multi-Service Centre (the "Centre") is registered and domiciled in Singapore. The Centre's registered office and the principal place of operation is located at Block 210 Jurong East Street 21, #01-389, Singapore 600210.

Yuhua Senior Activity Centre (Previously known as Yuhua Neighbourhood Link) is a division of Loving Heart Multi-Service Centre and its registered office and the principal place of operation is located at Block 318A Jurong East Avenue 1, #02-308, Singapore 601318. The principal operation of the division are to organise activities for the welfare and community bonding of the residents.

The principal activities of the Centre are to provide befriending and food ration delivery services, community mediation services, medical escort services, counselling services, family education, Job match @ Yuhua, E-booking and solemnization of marriages, Silverheart @ Yuhua, Network with grassroots organisations, enhances information and referral and silverheart wellness centre to families, elderly residents and any person who needs help there.

The Centre was registered on 10 January 2003 under the Societies Act (Chapter 311) and is a charity registered under the Charities Act, Chapter 37 since 26 June 2000. The Centre has been accorded the Institutions of a Public Character ("IPC") status until 31 October 2019.

The objects for which the Centre is established are:

- (a) to provide social services to families, elderly residents and any needy living at the South West District in Singapore;
- (b) to build mutually beneficial partnerships for the benefit of the community; and
- (c) to encourage community bonding.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Societies Act (Chapter 311) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is the Centre's functional currency.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2018

In the current financial year, the Centre has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 April 2018. The adoption of the standard did not have any material effect on the financial statements.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Centre's accounting policies and had not material effect on the amounts reported for the current or prior financial years.

2.1.2 Standards issued but not yet effective

The Centre has not adopted the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 116, the Management Committee expect that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the FRS 116 is described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases which do not contain any purchase options. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Centre is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Centre expects the adoption of the new standard to result in an increase in total assets and total liabilities, earnings before interest, taxes and depreciation (EBITD).

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income is measured based on the consideration to which the Centre expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Centre satisfies a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation. Income is recognised as follows:

2.2.1 Donations

Donations are recognised and accrued in the statement of financial activities as and when they are committed. Uncommitted donations are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Rendering of services

Revenue from services is recognised over the period in which the services are performed and rendered.

2.2.3 Interest income

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

2.2.4 Other income

Other income is recognised as income upon receipt.

2.3 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2. Significant accounting policies (Cont'd)

2.4 Expenditure recognition

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

2.4.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Centre. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of charitable activities are apportionment of overhead and shared costs.

2.4.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Centre, 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.

2.5 Property, plant and equipment

2.5.1 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 initially recognised includes its purchase price and any cost that is 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.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.5.2 Depreciation

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

	Useful lives
Computers	5 years
Equipment	3 – 5 years
Furniture and fittings	5 years
Motor vehicle	5 years
Renovation	5 years

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.2 Depreciation (Cont'd)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in statement of financial activities when the changes arise.

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

2.5.3 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 entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in statement of financial activities when incurred.

2.5.4 Disposal

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

2.6 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows 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 difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill 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 this 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions and short-term highly liquid investments that are readily convertible to a known amount of cash, which are subject to an insignificant risk of changes in value.

2. Significant accounting policies (Cont'd)

2.8 Financial assets

2.8.1 The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

Loans and receivables

Cash and bank balances
Other receivables

Cash and bank balances and other receivables are initially recognised at fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2.8.2 The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Centre classifies its financial assets into the following measurement category:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit and loss (FVPL).

The classification of debt instruments depends on the Centre's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Centre reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Centre measures a financial asset at its fair values plus, in the case of a financial assets not at fair value through profit and loss, transactions costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit or loss.

2. Significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

2.8.2 The accounting for financial assets from 1 April 2018 under FRS 109 are as follows: (Cont'd)

At subsequent measurement

Debt instrument

Debt instruments of the Centre mainly comprise of cash and bank balances and other receivables.

There are three prescribed subsequent measurement categories, depending on the Centre's business model in managing the assets and the cash flow characteristic of the assets. The Centre managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Centre assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For other receivables and cash and bank balances, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.9 Financial liabilities

Financial liabilities are recognised when the Centre becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables" on the statement of financial position.

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

2. Significant accounting policies (Cont'd)

2.10 Other payables

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

2.11 Provisions for other liabilities and charges

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

2.12 Operating leases as lessee

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by the way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating leases is charged to statement of financial activities.

2.13 Employee compensation

2.13.1 Defined contribution plans

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

2.13.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Centre has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.14 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Centre's purposes.

2.15 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

3. Significant accounting judgements and estimates

The preparation of the Centre's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

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

Government grants

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

3.2 Key sources of estimation uncertainty

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

4. Income tax

The Centre is a charity registered under the Charities Act since 26 June 2000. Consequently, the income of the Centre is exempted from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	Note	2019 S\$	2018 S\$
Revenue from:			
Donations	6	258,816	7,282
Birthday celebration		10,225	11,037
Centre's activities		60,394	40,908
Income – medical escort		13,531	10,911
Interest income		21,215	11,303
Miscellaneous income		2,035	3,327
		<u>366,216</u>	<u>84,768</u>
Timing of transfer of services			
- At a point in time		345,001	73,465
- Over time		21,215	11,303
		<u>366,216</u>	<u>84,768</u>

There are no contract liabilities balances.

6. Donations

	Note	2019 S\$	2018 S\$
Tax deductible donations		500	2,925
Non-tax deductible donations		258,316	4,357
	5	<u>258,816</u>	<u>7,282</u>

During the financial year, the Centre issued tax deductible receipts, for donations totalling S\$500 (2018: S\$2,925) pursuant to its Institutions of a Public Character ("IPC") status.

Total donations received during the financial year amounting to S\$258,816 was submitted and matched for Community Silver Trust ("CST") FY2019 Grant Call and will be channelled to CST's eligible Intermediate and Long Term Care ("ILTC") programmes in the next financial year.

7. Staff costs

	Note	2019 S\$	2018 S\$
CPF and SDF contributions		40,113	32,493
Salaries and related costs		348,728	286,904
	8	<u>388,841</u>	<u>319,397</u>

The staff costs were allocated as follows:

	2019 S\$	2018 S\$
- Cost of generating funds	67,920	53,394
- Cost of charitable activities	229,459	185,537
- Governance and administrative costs	91,462	80,466
	<u>388,841</u>	<u>319,397</u>

8. Basis of apportionment of support costs

During the financial year, the following support costs were allocated as follows:

	Cost of generating funds	Cost of charitable activities	Governance and administrative Costs	Total	Basis of apportionment
	S\$	S\$	S\$	S\$	
2019					
Depreciation	34,223	8,592	13,362	56,177	Usage
Staff costs					
- CPF, SDL contribution	7,427	22,477	10,209	40,113	Time spent
- Salaries and bonus	60,493	206,982	81,253	348,728	Time spent
	<u>67,920</u>	<u>229,459</u>	<u>91,462</u>	<u>388,841</u>	
Rental of premises	21,982	0	5,496	27,478	Space occupied
Utilities	10,117	0	2,529	12,646	Space occupied
2018					
Depreciation	33,866	12,865	12,461	59,192	Usage
Staff costs					
- CPF, SDL contribution	5,806	17,756	8,931	32,493	Time spent
- Salaries and bonus	47,588	167,781	71,535	286,904	Time spent
	<u>53,394</u>	<u>185,537</u>	<u>80,466</u>	<u>319,397</u>	
Rental of premises	22,409	0	5,602	28,011	Space occupied
Utilities	8,457	0	2,115	10,572	Space occupied

9. Cash and bank balances

	2019 S\$	2018 S\$
Cash on hand	1,699	1,302
Cash at bank	591,824	332,816
Fixed deposits	<u>1,150,000</u>	<u>1,231,419</u>
	<u>1,743,523</u>	<u>1,565,537</u>

The fixed deposits mature within 1 to 7 months (2018: 4 to 9 months) from the financial year end and earn interest at rate of 1.70% to 1.85% (2018: 0.60% to 1.50%) per annum.

At the reporting date, the carrying amounts of cash and bank balances approximate their fair values.

10. Other receivables

	Note	2019 S\$	2018 S\$
Grant receivables			
- MOH - Medical escort		9,541	9,967
- NCSS - VCF Consultancy Grant	14	0	6,904
- NCSS - VCF Shared Service Grant	14	0	2,043
- NCSS - Operation grant for SAC		9,601	0
- SWCDC - Medical escort		6,755	4,346
		<u>25,897</u>	<u>23,260</u>
Other receivables			
- Deposits		18,228	3,856
- Interest receivable		7,282	0
- Prepayments		3,266	2,746
- Sundry receivables		790	977
		<u>29,566</u>	<u>7,579</u>
Total other receivables		<u>55,463</u>	<u>30,839</u>

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

11. Property, plant and equipment

	Computer S\$	Equipment S\$	Furniture and fittings S\$	Motor vehicle S\$	Renovation S\$	Total S\$
Cost						
At 1 April 2017	9,650	23,364	18,625	63,986	190,376	306,001
Additions	6,340	0	0	0	0	6,340
At 31 March 2018	15,990	23,364	18,625	63,986	190,376	312,341
Additions	17,405	3,777	0	0	0	21,182
Written off	(699)	(870)	0	0	0	(1,569)
At 31 March 2019	32,696	26,271	18,625	63,986	190,376	331,954
Accumulated depreciation						
At 1 April 2017	6,155	14,852	6,042	42,657	51,659	121,365
Depreciation	1,681	3,283	3,355	12,797	38,076	59,192
At 31 March 2018	7,836	18,135	9,397	55,454	89,735	180,557
Depreciation	2,962	3,252	3,356	8,532	38,075	56,177
Written off	(699)	(870)	0	0	0	(1,569)
At 31 March 2019	10,099	20,517	12,753	63,986	127,810	235,165
Carrying amount						
31 March 2018	8,154	5,229	9,228	8,532	100,641	131,784
31 March 2019	22,597	5,754	5,872	0	62,566	96,789

12. Other payables

	2019 S\$	2018 S\$
Accruals	50,698	41,289
Provision for unutilised leave	5,778	3,124
Other payables	13,490	11,620
	<u>69,966</u>	<u>56,033</u>

At the reporting date, the carrying amounts of other payables approximate their fair values.

13. Deferred capital grants

	Note	Care and Share S\$	Cyclical Maintenance S\$	Haze Funding S\$	SG Cares S\$	VCF-ICT S\$	Total S\$
2019							
Beginning of the year		95,165	18,282	543	0	1,706	115,696
Transfer from grant received in advance	14	10,636	0	0	4,952	0	15,588
Amortisation		(32,927)	(11,228)	(543)	(83)	(410)	(45,191)
End of the year		<u>72,874</u>	<u>7,054</u>	<u>0</u>	<u>4,869</u>	<u>1,296</u>	<u>86,093</u>
2018							
Beginning of the year		123,861	29,510	1,474	0	0	154,845
Transfer from grant received in advance	14	3,434	0	0	0	2,047	5,481
Amortisation		(32,130)	(11,228)	(931)	0	(341)	(44,630)
End of the year		<u>95,165</u>	<u>18,282</u>	<u>543</u>	<u>0</u>	<u>1,706</u>	<u>115,696</u>

Deferred capital grants refer to grants received from Ministry of Social and Family Development ("MSF") and National Council Social Service ("NCSS") under its Care and Share Matching fund, Cyclical Maintenance Programmes, Haze Funding, SG Cares and VCF-Info-Communications Technology ("VCF-ICT") for the purchases of property, plant and equipment. Deferred income is amortised over the period necessary to match the depreciation of the property, plant and equipment purchased with these related grants.

The unamortised balance as at the reporting date substantially represent sums payable to the grantors should the Centre fail to fulfil the obligations stipulated in the grant agreements or letter.

14. Grants received in advance

	Note	VCF Consultancy Grant S\$	VCF Shared Service Grant S\$	Care and Share S\$	Community Silver Trust ("CST") S\$	SG Cares S\$	Total S\$
2019							
Beginning of the year		0	0	121,533	500,000	0	621,533
Grants received		4,224	3,743	0	0	160,000	167,967
Transfer to deferred capital grants	13	0	0	(10,636)	0	(4,952)	(15,588)
Disbursement		(4,224)	(3,313)	(45,805)	(245,529)	(8,195)	(307,066)
End of the year		0	430	65,092	254,471	146,853	466,846

	Note	VCF Consultancy Grant S\$	VCF Shared Service Grant S\$	Care and Share S\$	Community Silver Trust S\$	VCF-ICT S\$	Total S\$
2018							
Beginning of the year		7,019	(78)	349,896	0	0	356,837
Grants received		0	2,172	0	500,000	2,227	504,399
Transfer to deferred capital grants	13	0	0	(3,434)	0	(2,047)	(5,481)
Grants receivables	10	6,904	2,043	0	0	0	8,947
Disbursement		(13,923)	(4,137)	(224,929)	0	(180)	(243,169)
End of the year		0	0	121,533	500,000	0	621,533

15. Unrestricted funds

General fund

This fund represents accumulated income for meeting operating expenses by the Centre.

Designated fund

Fund Raising Fund

In the prior financial year, the Centre collaborated with Yuhua Community Centre to organise a fund raising activity to raise funds for building of a kidney dialysis centre in Yuhua. The kidney dialysis centre will be managed and run by The National Kidney Foundation ("NKF").

Movement of the designated funds are as follows:

	2019 S\$	2018 S\$
At beginning of the financial year	509,439	510,339
Transfer to general funds	0	(900)
At end of the financial year	<u>509,439</u>	<u>509,439</u>

16. Restricted funds

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes.

Restricted funds comprise:

Care and Share Matching Fund

Care and Share Matching Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacities in the provision of social services and develop programmes for its beneficiaries. The unused funds for programmes that are withdrawn or terminated prematurely may be clawed back if the new proposed programmes were not being approved by MSF.

Community Silver Trust Matching Grant ("CST")

The Community Silver Trust ("CST") fund is a dollar-for-dollar donation matching grant provided by the Government to enhance the services of voluntary welfare organisations (VWOs) in the intermediate and long-term care ("ILTC") sector. The CST is managed by the Ministry of Health ("MOH") and administered by the Agency for Integrated Care ("AIC").

The objective of the CST is to encourage donations and provide additional resources for the service providers in the ILTC sector to enhance their capabilities, provide value-added services to achieve higher quality care, and enhance the affordability of step-down care for service users and patients.

Medical Escort Fund

Medical Escort fund is established to support the frail and home-bound citizens with escort and /or transport services. The main funding are from Ministry of Health ("MOH") and South West CDC.

VCF Consultancy Fund

VCF Consultancy Grant is established to support the accounts internal controls review and advisory services of the Centre. National Council of Social Service ("NCSS") is the administrator of the Ministry of Culture, Community and Youth ("MCCY") VWOs-Charities Capacity Fund ("VCF").

VCF Shared Service Fund

VCF Shared Service Grant is established to support the outsourcing of payroll and accounting function of the Centre. National Council of Social Service ("NCSS") is the administrator of the Ministry of Culture, Community and Youth ("MCCY") VWOs-Charities Capacity Fund ("VCF").

SG Cares Volunteer Development Programme Fund

SG Cares Volunteer Development Programme Fund is funding from National Council of Social Service ("NCSS"). The fund is established to strengthen partnerships among local stakeholders and equip the Agency with the capability and resources to develop the volunteer pool.

Yuhua Senior Activities Centre ("SAC") Fund

Yuhua Senior Activities Centre ("SAC") receives funding from the Tote Board Social Services Fund ("TBSSF") administrated by the National Council of Social service ("NCSS") as well the Ministry of Social and Family Development ("MSF") to support the SAC's operating and manpower expenditure. The accumulated reserves at the end of the financial year as indicated above are restricted for the operation of the SAC.

16. Restricted funds (Cont'd)

Other grants

Other grants comprise:

i. Community Care Training

The Centre receives Community Care Training funding from Agency for Integrated Care ("AIC"). This grants is established to support the training and upgrading needs of the staff of the Centre.

ii. Share as One

Share as One grant is established by NCSS to organise meaningful volunteer activities for corporates and to build up volunteer management capabilities to provide better opportunities and experiences for corporate volunteers.

iii. VCF-Info-Communications Technology ("VCT-ICT")

VCF-Info-Communications Technology grant provides co-funding to funding 70% of the supported costs or 70% of the actual expenditure, whichever is lower. This grant is established to harness ICT to facilitate the submission of returns and transactions on the Charity Portal.

17. Related party transactions

(a) Related party transactions and balances

There was no transaction between the Centre and related party for the financial years ended 31 March 2019 and 31 March 2018.

(b) Compensation and key management personnel

The remuneration of the key management personnel during the financial year is as follows:

	2019 S\$	2018 S\$
<u>Executive</u>		
Salaries and other short-term employee benefits	159,467	129,039
Post-employment benefits – Contribution to CPF	18,748	15,352
	<u>178,215</u>	<u>144,391</u>

The key management personnel are not the members of the Management Committee.

During the current and previous year, none of the Management Committee members received any remuneration from the Centre. None of the Centre's employees were remunerated more than or equal to S\$100,000 during the financial years ended 31 March 2019 and 31 March 2018.

18. Commitments

18.1 Capital commitment

At the reporting date, the Centre has capital commitments in respect to purchase a new van and installation of wheelchair lift as follow:

	2019 S\$	2018 S\$
Commitments for the acquisition of property, plant and equipment	93,750	0
Recorded as deposits	<u>(13,881)</u>	<u>0</u>
	<u>79,869</u>	<u>0</u>

18.2 Operating lease commitment

The Centre lease office equipment from non-related party under non-cancellable operating lease agreement.

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

	2019 S\$	2018 S\$
<u>Office equipment</u>		
Not later than one year	2,183	2,142
Later than one year but not later than five years	<u>8,378</u>	<u>10,210</u>
	<u>10,561</u>	<u>12,352</u>

19. Financial instruments by category

The aggregate carrying amounts of loans and receivables, financial assets and financial liabilities at amortised costs of the Centre are as follows:

	2019 S\$
Financial assets, at amortised cost	1,795,720
Financial liabilities, at amortised cost	<u>69,966</u>
	2018 S\$
Loans and receivables	1,593,630
Financial liabilities, at amortised cost	<u>56,033</u>

20. Financial risk management

The Centre is mainly exposed to liquidity risk, credit risk and interest rate risk.

Risk management is carried out under policies approved by the Centre's management. The Management Committee reviews and agrees on policies and procedures for management of these risks.

20.1 Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting its financial obligations due to shortage of funds. The Centre exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

The Management Committee monitors and ensures that the Centre maintains a level of cash and cash equivalents deemed adequate to finance the Centre's operations.

The table below summarises the maturity profile of the Centre's financial assets and liability at the end of the reporting date based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Later than five years S\$	Total S\$
2019				
Financial assets				
Cash and bank balances	1,743,523	0	0	1,743,523
Other receivables (excluding prepayments)	52,197	0	0	52,197
	<u>1,795,720</u>	<u>0</u>	<u>0</u>	<u>1,795,720</u>
Financial liabilities				
Other payables	(69,966)	0	0	(69,966)
Net financial assets	<u>1,725,754</u>	<u>0</u>	<u>0</u>	<u>1,725,754</u>
	Within one year S\$	Later than one year but not later than five years S\$	Later than five years S\$	Total S\$
2018				
Financial assets				
Cash and bank balances	1,565,537	0	0	1,565,537
Other receivables (excluding prepayments)	28,093	0	0	28,093
	<u>1,593,630</u>	<u>0</u>	<u>0</u>	<u>1,593,630</u>
Financial liabilities				
Other payables	(56,033)	0	0	(56,033)
Net financial assets	<u>1,537,597</u>	<u>0</u>	<u>0</u>	<u>1,537,597</u>

20. Financial risk management (Cont'd)

20.2 Credit risk

Credit risk is the potential financial loss resulting from the counterparty defaulting on its contractual obligations to the Centre.

The Centre has minimal exposure to credit risks due to the nature of its activities.

20.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Centre's financial instruments will fluctuate because of changes in market interest rates. The Centre's exposure to interest rate risk arises primarily from their cash and bank balances.

The Centre does not expect any significant effect on the Centre's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Centre's interest-bearing financial instruments was as follows:

	2019 S\$	2018 S\$
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits	<u>1,150,000</u>	<u>1,231,419</u>

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

At the reporting date, the Centre does not have variable rate interest-bearing financial instruments.

21. Fair values

As at 31 March 2019, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Centre approximates their fair values due to their short-term nature.

22. Management of conflict of interest

During the current and previous financial year, none of the Management Committee members received any remuneration from the Centre.

Management Committee Members are required to disclose any interest that they may have, whether directly or indirectly, that the Centre may enter into or in any organisations that the Centre has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Centre's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

23. Reserve position and policy

The Centre's reserve position for financial year ended 31 March 2019 is as follows:

		2019	2018	Increase/ (decrease)
		S\$'000	S\$'000	Percentage
A	Unrestricted Funds			
	Accumulated general funds	621	299	108%
	Designated Funds	510	510	0%
B	Restricted or Designated Funds			
	Restricted Funds	142	127	12%
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	1,273	936	36%
E	Total Annual Operating Expenditure	635	547	16%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.78	1.48	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to Cost of Generating Funds, Cost of Charitable Activities and Governance and Administrative Costs.

The Centre's reserve policy is as follows:

The reserves that the Management Committee have set aside to provide financial stability and the means for the development of the Centre's principal activities. The Centre intend to establish the reserves at a level equivalent to 2 years of operating expenditure through increasing awareness of the activities, seeking more donors both private and corporate and fund raising efforts. The Management Committee reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

24. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Management Committee on **10 SEP 2019**