

**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 2020**

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Fiducia LLP

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Public Accountants and
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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements 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 2020 and 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 Division 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

Teng Su Ching	President	
S Malaiya Maran	Vice-President	
Lawrence Ng Kok Kiang	Vice-President	
Lena Lee Siow Ling	Treasurer	
Sio Wei Hurng	Assistant Treasurer	(Appointed on 20 February 2020)
Patrick Tan Tse Chia	Secretary	
Lee Teik Sein	Assistant Secretary	(Resigned on 20 February 2020)
Cheong Boon Leong Arthur	Member	
Vinson Chua Chin Wei	Member	
Loke Wai Chiong	Member	
Sim Seo Lian Pauline	Member	
Lim Lee Ching	Member	(Appointed on 01 July 2019)
Desmond Chong Kok Hwee	Member	(Appointed on 01 July 2019)
Suzana Binte Slemat	Member	(Appointed on 01 July 2019)
Saharidah Bte Suradi	Member	(Appointed on 01 July 2019)
Andrea Liew Yihui	Member	(Appointed on 01 July 2019)

For and on behalf of the Management Committee,



Teng Su Ching
President



Lena Lee Siow Ling
Assistant Treasurer

Singapore, **17 SEP 2020**

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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 2020, 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 2020, 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

[UEN. T03SS0014A]
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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 FRSSs, 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, **17 SEP 2020**

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

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

	Note	Unrestricted fund	Restricted funds				Total restricted funds	Total unrestricted and restricted funds
		General fund S\$	Care and Share S\$	SAC S\$	CST S\$	Other grants S\$	Total restricted funds S\$	Total unrestricted and restricted funds S\$
2020								
INCOME from generating funds								
Voluntary income								
Donations :								
Donation - Non-tax exempt	5	307,525	0	0	0	0	0	307,525
Donation - Tax exempt		125,392	0	0	0	0	0	125,392
		432,917	0	0	0	0	0	432,917
Grants :								
NCSS-Care & Share		0	201,579	0	0	0	201,579	201,579
MOH -Community Silver Trust (CST)		0	0	0	82,774	0	82,774	82,774
MOH-Operation grant for SAC		0	0	182,773	0	0	182,773	182,773
NCSS - VCF Shared Service Grant		0	0	0	0	4,019	4,019	4,019
Singtel Sponsorship		480	0	0	0	0	0	480
NCSS-SG Cares		0	0	0	0	114,451	114,451	114,451
NCSS - VCF-ICT		0	0	683	0	0	683	683
NCSS - Community Chest Support Fund (CSF)		0	0	0	0	8,433	8,433	8,433
Sport SG 19		0	0	0	0	1,336	1,336	1,336
Share as One		0	0	0	0	1,465	1,465	1,465
TOTE MET		0	0	0	0	19,623	19,623	19,623
TOTE MET 2		0	0	0	0	7,722	7,722	7,722
		480	201,579	183,456	82,774	157,049	624,858	625,338
Activities for generating funds								
Birthday celebration	5	0	0	9,379	0	0	9,379	9,379
Centre's activities	5	15,442	0	22,230	0	0	22,230	37,672
		15,442	0	31,609	0	0	31,609	47,051
		448,839	201,579	215,065	82,774	157,049	656,467	1,105,306
Total income from generating funds								
Income from charitable activities								
Grant - MOH		0	47,529	0	0	0	47,529	47,529
Grant - SWCDC		0	18,646	0	0	0	18,646	18,646
Income - Medical escort	5	0	12,165	0	0	0	12,165	12,165
		0	78,340	0	0	0	78,340	78,340
Other income								
Employment grants		0	0	0	0	0	0	0
Interest income	5	18,497	0	563	0	0	563	19,060
Miscellaneous income	5	25,282	88	0	0	0	88	25,370
		43,779	88	563	0	0	651	44,430
		492,618	280,007	215,628	82,774	157,049	735,458	1,228,076
TOTAL INCOME								

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds				Total	
		General fund S\$	Care and Share S\$	SAC S\$	CST S\$	Other grants S\$	Total restricted funds S\$	unrestricted and restricted funds S\$
2020 (CONT'D) EXPENDITURES								
Cost of generating funds								
Depreciation	8	673	25,223	9,879	0	568	35,670	36,343
Event expenses		1,884	20	14,401	3,413	6,001	23,835	25,719
Rental of premises	8	3,336	1,112	17,534	0	0	18,646	21,982
Staff costs	7	28,967	5,879	25,920	18,969	23,514	74,282	103,249
Trainer allowance		6,970	0	3,385	0	0	3,385	10,354
Utilities	8	4,393	1,331	5,316	0	0	6,647	11,041
		46,223	33,565	76,435	22,382	30,083	162,465	208,688
Cost of charitable activities								
Audit fees		0	1,284	0	0	0	1,284	1,284
Birthday celebration		0	0	8,424	0	0	8,424	8,424
Depreciation	8	0	(114)	0	0	13,460	13,346	13,346
Medical escort		0	43,799	0	0	1,985	45,784	45,784
Repair and maintenance		0	1,267	0	0	0	1,267	1,267
Sponsorship - Others		90,713	134	36	0	0	170	90,882
Staff costs	7	48,571	126,416	77,758	47,581	76,016	327,771	376,344
Volunteer - Silver Heart		44	0	0	0	352	352	396
		139,328	172,786	86,218	47,581	91,813	398,398	537,727

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$
		General fund S\$	Care and Share S\$	SAC S\$	CST S\$	Other grants S\$	Total restricted funds S\$	
2020 (CONT'D) EXPENDITURES								
Governance and administrative costs								
Accounting fees		12,176	3,987	4,356	0	4,019	12,362	24,538
Audit fees		9,095	0	1,926	0	0	1,926	11,021
Bank charges		168	106	23	0	0	129	297
Conservancy charge		209	70	1,096	0	0	1,165	1,374
Consultancy fee		0	13,946	0	0	0	13,946	13,946
Course fee		0	3,133	0	0	514	3,647	3,647
Depreciation	8	(359)	13,989	4,543	0	1,661	20,192	19,834
General expenses		(13,323)	16,413	366	32	5,415	22,226	8,902
Insurance		442	519	523	0	0	1,041	1,483
IT equipment		0	2,526	193	0	746	3,465	3,465
Karaoke equipment		0	0	1,242	0	0	1,242	1,242
Leasing of photocopier machine		1,637	728	0	0	0	728	2,365
Licence fees		0	0	400	0	0	400	400
Loss on written off of property, plant and equipment		3,445	0	0	0	0	0	3,445
Marketing expense		0	1,148	0	0	4,593	5,741	5,741
Newspaper / Magazine		422	137	629	0	0	766	1,188
Office equipment		1,729	5,194	1,664	0	425	7,283	9,011
Office refreshments		179	36	0	0	40	76	255
Office supplies		892	115	1,566	0	229	1,910	2,803
Parking fees		33	38	0	14	(11)	41	74
Part time salary		750	0	0	0	0	0	750
Postage and courier		0	34	0	0	0	34	34
Printing and stationery		3,735	1,313	2,235	43	180	3,771	7,506
Operating lease - Rental of premises	8	834	278	4,384	0	0	4,662	5,496
Repair and maintenance		2,739	4,244	1,910	0	39	6,193	8,932
Staff costs	7	59,366	3,527	36,957	11,780	14,109	66,373	125,738
Staff welfare		151	61	274	0	64	399	550
Telephone and internet		2,647	1,508	1,156	0	424	3,090	5,736
Transportation		764	278	356	730	1,558	2,923	3,687
Utilities	8	1,098	333	1,329	0	0	1,662	2,760
Volunteer management activity		0	0	0	213	1,146	1,359	1,359
		88,829	73,658	67,128	12,812	35,151	188,749	277,578
TOTAL EXPENDITURES		274,381	280,009	229,782	82,774	157,049	749,612	1,023,993
NET SURPLUS/(DEFICIT)		218,236	0	(14,154)	0	0	(14,154)	204,083

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

	Note	Unrestricted fund		Restricted funds							Total unrestricted and restricted funds	
		General fund	S\$	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\$	S\$
2019 (CONT'D)												
EXPENDITURES												
Cost of generating funds												
Depreciation	8	0	24,765	0	0	0	0	0	9,458	0	0	34,223
Event expenses		0	822	0	0	7,030	1,253	0	13,697	0	0	22,802
Rental of premises		0	0	0	0	4,448	0	0	17,534	0	0	21,982
Staff costs	8	0	0	0	0	42,550	0	0	25,370	0	0	67,920
Trainer allowance		4,163	0	0	0	3,234	0	0	1,715	0	0	9,112
Utilities	8	0	288	0	0	4,776	0	0	5,053	0	0	10,117
		4,163	25,875	0	0	62,038	1,253	0	72,827	0	0	161,993
Cost of charitable activities												
Audit fees		0	1,284	0	0	0	0	0	0	0	0	1,284
Birthday celebration		0	0	0	0	0	0	0	9,629	0	0	9,629
Depreciation		0	(8,532)	0	8,532	8,592	0	0	0	0	0	8,592
Medical Escort		0	(1,290)	0	26,450	6,486	0	0	0	0	0	31,646
Repair and maintenance		0	0	0	1,183	0	0	0	0	0	0	1,183
Sponsorship - Others		0	600	0	0	4,992	0	0	0	0	0	5,592
Staff costs		0	26,501	0	32,793	94,052	0	0	76,113	0	0	229,459
Volunteer - Silver Heart		0	130	0	0	430	0	0	0	0	0	560
		0	18,693	0	68,958	114,552	0	0	85,742	0	0	287,945

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

	Note	Unrestricted fund		Restricted funds							Total unrestricted and restricted funds		
		General fund S\$	S\$	Care and Share S\$	VCF Consultancy S\$	Medical Escort S\$	CST S\$	SG Cares S\$	SAC S\$	VCF Shared Service S\$	Other grants S\$	Total restricted funds S\$	Total unrestricted and restricted funds S\$
2019 (CONT'D)													
EXPENDITURES (CONT'D)													
Governance and administrative costs													
Accounting fees		0	0	0	0	0	9,253	0	3,488	2,330	0	15,071	15,071
Audit fees		0	198	0	0	0	4,959	0	1,905	0	0	7,062	7,062
Bank charges		0	4	0	0	0	200	0	104	0	0	308	308
Conservancy charge		0	46	0	0	0	232	0	1,096	0	0	1,374	1,374
Consultancy fee		0	3,064	0	4,224	0	2,486	0	0	0	0	9,774	9,774
Course fee		0	48	0	0	0	633	194	0	0	947	1,822	1,822
Depreciation	8	0	8,163	0	0	0	7	83	5,109	0	0	13,362	13,362
General expenses		0	0	0	0	0	445	0	0	0	0	445	445
Insurance		0	213	0	0	0	1,629	58	677	0	0	2,577	2,577
IT equipment		0	0	0	0	0	411	0	70	0	0	481	481
Karaoke equipment		0	0	0	0	0	0	0	95	0	0	95	95
Leasing of photocopy machine		1,745	0	0	0	0	83	0	0	0	0	83	1,828
Licence fees		0	0	0	0	0	0	0	400	0	0	400	400
Newspaper / Magazine		0	89	0	0	0	468	0	625	0	0	1,182	1,182
Office equipment		0	279	0	0	0	2,190	0	2,571	0	0	5,040	5,040
Office refreshments		0	0	0	0	0	475	0	0	0	0	475	475
Office supplies		0	167	0	0	0	216	0	1,150	0	0	1,533	1,533
Parking fees		0	7	0	0	0	98	13	0	0	0	118	118
Postage and courier		0	0	0	0	0	297	0	15	0	0	312	312
Printing and stationery		0	929	0	0	0	2,405	0	2,110	0	0	5,444	5,444
Operating lease - Rental of premises	8	0	463	0	0	0	649	0	4,384	0	0	5,496	5,496
Repair and maintenance		0	310	0	0	0	3,487	0	1,956	0	0	5,753	5,753
Staff costs	8	0	18,579	0	0	0	33,988	6,595	32,300	0	0	91,462	91,462
Staff welfare		0	40	0	0	0	137	0	341	0	0	518	518
Telephone expenses		0	296	0	0	0	3,660	0	1,381	0	0	5,337	5,337
Transportation		0	3	0	0	0	440	82	158	0	0	683	683
Utilities	8	0	1,266	0	0	0	0	0	1,263	0	0	2,529	2,529
Volunteer management activity		0	0	0	0	0	91	0	0	0	0	91	91
		1,745	34,164	0	4,224	0	68,939	7,025	61,198	2,330	947	178,827	180,572
TOTAL EXPENDITURES		5,908	78,732	0	4,224	68,958	245,529	8,278	219,767	2,330	947	628,765	634,673
NET SURPLUS		322,910	0	0	0	0	0	0	15,062	0	0	15,062	337,972

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Cash and bank balances	9	1,665,804	1,743,523
Other receivables	10	<u>185,312</u>	<u>55,463</u>
		1,851,116	1,798,986
Non-current asset			
Property, plant and equipment	11	<u>156,307</u>	<u>96,789</u>
Total assets		<u>2,007,423</u>	<u>1,895,775</u>
LIABILITIES			
Current liabilities			
Other payables	12	104,199	69,966
Deferred capital grants	13	150,798	86,093
Grants received in advance	14	<u>275,473</u>	<u>466,846</u>
Total liabilities		<u>530,470</u>	<u>622,905</u>
NET ASSETS		<u>1,476,953</u>	<u>1,272,870</u>
FUNDS			
Unrestricted funds			
General fund	15	924,672	621,435
Designated fund	15	<u>424,439</u>	<u>509,439</u>
		1,349,111	1,130,874
Restricted funds			
Yuhua Senior Activities Centre ("SAC")	16	<u>127,842</u>	<u>141,996</u>
TOTAL FUNDS		<u>1,476,953</u>	<u>1,272,870</u>

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

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

	Balance at beginning of financial year S\$	Net Surplus/ (Deficit) S\$	Transfer of funds S\$	Balance at end of financial year S\$
2020				
Unrestricted funds				
General fund	621,435	218,237	85,000	924,672
Designated fund	509,439	0	(85,000)	424,439
	<u>1,130,874</u>	<u>218,237</u>	<u>0</u>	<u>1,349,111</u>
Restricted funds				
Yuhua Senior Activities Centre ("SAC")	141,996	(14,154)	0	127,842
	<u>141,996</u>	<u>(14,154)</u>	<u>0</u>	<u>127,842</u>
Total funds	<u>1,272,870</u>	<u>204,083</u>	<u>0</u>	<u>1,476,953</u>
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
	<u>126,934</u>	<u>15,062</u>	<u>0</u>	<u>141,996</u>
Total funds	<u>934,898</u>	<u>337,972</u>	<u>0</u>	<u>1,272,870</u>

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

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

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Net surplus		204,083	337,972
Adjustments for:			
- Depreciation	11	69,523	56,177
- Interest income		(19,060)	(21,215)
- Loss on disposal of property, plant and equipment		3,445	0
Operating cash flow before changes in working capital		<u>257,991</u>	<u>372,934</u>
Changes in working capital			
- Other receivables		(125,289)	(17,342)
- Other payables		34,233	13,933
- Deferred income		(126,668)	(184,290)
Cash generated from operations		<u>40,267</u>	<u>185,235</u>
Interest received		563	640
Net cash generated from operating activities		<u>40,830</u>	<u>185,875</u>
Cash flows from investing activities			
Fixed deposit interest received		13,937	13,293
Purchase of property, plant and equipment	11	(132,486)	(21,182)
Net cash used in investing activities		<u>(118,550)</u>	<u>(7,889)</u>
Net (decrease)/increase in cash and cash equivalents		(77,719)	177,986
Cash and cash equivalents at beginning of financial year		<u>1,743,523</u>	<u>1,565,537</u>
Cash and cash equivalents at end of financial year 9		<u>1,665,804</u>	<u>1,743,523</u>

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

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

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

1. General information

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 business 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 from 01 February 2018 to 31 October 2019. The Society has renewed its IPC status from 01 November 2019 to 30 April 2021.

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.

2.1.1 Interpretations and amendments to published standards effective in 2019

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 2019. The adoption of the standard did not have any material effect on the financial statements.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2019 (Cont'd)

Except for the adoption of FRS 116 Leases, the adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Centre and had no material effect on the amounts reported for the current or prior financial years.

Adoption of FRS 116 Leases

The Centre has adopted the new standard using the modified retrospective method with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of funds. The Centre elected to use the transition practical expedient to not assess whether a contract is, or contains a lease at 1 April 2019. Instead, the Centre applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

Lease previously accounted for as operating leases

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis. The Centre's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.14.

There were no onerous contracts as at 1 April 2019.

There were no material operating lease commitments as at 31 March 2019.

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
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 <i>Definition of Material</i>	1 January 2020
Amendments to FRS 103: <i>Definition of a Business</i>	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined
Amendments to FRS 116: Covid-19-Related Rent Concessions	1 June 2020

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

2. 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.

2.4 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. Significant accounting policies (Cont'd)

2.4 Expenditure recognition (Cont'd)

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	3 years
Office Equipment	5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Office Renovation	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. 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. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

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.

2.8 Financial assets

(a) Classification and measurement

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).

2. Significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

(a) Classification and measurement (Cont'd)

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 value 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.

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.

(b) Impairment

The Centre assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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. Significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Centre commits to purchase or sell the asset.

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

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 "Trade and 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.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

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 Leases

2.12.1 These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

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 way of penalty is recognised as an expense in the period in which termination takes place.

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

2. Significant accounting policies (Cont'd)

2.12 Leases (Cont'd)

2.12.2 These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

At the inception of the contract, the Centre assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) As lessee

The Centre applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Centre recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Centre recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Centre at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Centre shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Centre exercising that option.

2. Significant accounting policies (Cont'd)

2.12 Leases (Cont'd)

2.12.2 These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019: (Cont'd)

(a) As lessee (Cont'd)

Lease liabilities (Cont'd)

For contract that contain both lease and non-lease components, the Centre allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Centre has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

In calculating the present value of lease payments, the Centre uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Centre's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Centre has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to the statement of financial activities on a straight-line basis over the lease term.

Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payments.

2. Significant accounting policies (Cont'd)

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.

2.16 Events after the reporting date

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

3. 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.

3. Significant accounting judgements and estimates (Cont'd)

3.1 Judgements made in applying accounting policies (Cont'd)

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

Disaggregation of revenue from contracts with customers

	Note	2020 S\$	2019 S\$
Revenue from:			
Donations	6	432,917	258,816
Birthday celebration		9,379	10,225
Centre's activities		37,672	60,394
Income – Medical escort		12,165	13,531
		<u>492,133</u>	<u>342,966</u>
Timing of transfer of services			
- At a point in time		<u>492,133</u>	<u>342,966</u>

There are no contract liabilities balances.

6. Donations

	Note	2020 S\$	2019 S\$
Tax deductible donations		125,392	500
Non-tax deductible donations		307,525	258,316
	5	<u>432,917</u>	<u>258,816</u>

During the financial year, the Centre issued tax deductible receipts, for donations totalling S\$125,392 (2019: S\$500) pursuant to its Institutions of a Public Character ("IPC") status.

6. Donations (Cont'd)

Donations received during the financial year amounting to S\$32,917 was submitted and matched for Community Silver Trust ("CST") FY 2020 Grant Call and will be channelled to CST's eligible Intermediate and Long Term Care ("ILTC") programmes in the next financial year.

The remaining donations received during the financial year amounting to S\$400,000 was submitted and matched for Bicentennial Community Fund ("BCF") FY 2020.

7. Staff costs

	Note	2020 S\$	2019 S\$
CPF and SDF contributions		72,538	40,113
Salaries and related costs		532,791	348,728
	8	<u>605,329</u>	<u>388,841</u>

Included in the expenditures are the following staff costs:

	2020 S\$	2019 S\$
Cost of generating funds	103,249	67,920
Cost of charitable activities	376,344	229,459
Governance and administrative costs	125,736	91,462
	<u>605,329</u>	<u>388,841</u>

8. Basis of apportioned of support costs

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

	Cost of generating funds S\$	Cost of charitable activities S\$	Governance and administrative costs S\$	Total S\$	Basis of apportionment
2020					
Depreciation	36,343	13,346	19,834	69,523	Usage
Staff costs					
- CPF, SDL contribution	13,108	43,898	15,532	72,538	Time spent
- Salaries and bonuses	90,141	332,446	110,204	532,791	Time spent
	<u>103,249</u>	<u>376,344</u>	<u>125,736</u>	<u>605,329</u>	
Rental of premises	21,982	0	5,496	27,478	Space occupied
Utilities	11,041	0	2,760	13,801	Space occupied

8. Basis of apportioned of support costs (Cont'd)

During the financial years, the following support costs were allocated as follows: (Cont'd)

	Cost of generating funds S\$	Cost of charitable activities S\$	Governance and administrative costs S\$	Total S\$	Basis of apportionment
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 bonuses	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	11,041	0	2,760	13,801	Space occupied

9. Cash and bank balances

	2020 S\$	2019 S\$
Cash on hand	1,864	1,699
Cash at banks	713,940	591,824
Fixed deposits	950,000	1,150,000
	<u>1,665,804</u>	<u>1,743,523</u>

The fixed deposits mature within 4 to 9 months (2019: 1 to 7 months) from the financial year end and earn interest at rate of 1.20% to 1.90% (2019: 1.70% to 1.85%) per annum.

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

10. Other receivables

	2020 S\$	2019 S\$
Grant receivables		
- NCSS-Shared Service Grant	3,589	0
- MOH-Medical escort	12,684	9,541
- SWCDC-Medical escort	1,335	6,755
- NCSS-Covid 19 Support Grant	201	0
- NCSS-Operation grant for SAC	81,652	9,601
- Share as One	1,464	0
- Sports SG	135	0
- Jobs Support Scheme	52,433	0
	<u>153,493</u>	<u>25,897</u>
Other receivables		
- Deposits	10,757	18,228
- Interest receivable	4,560	7,282
- Other receivables	14,128	0
- Prepayments	2,274	3,266
- Sundry receivables	100	790
	<u>31,819</u>	<u>29,566</u>
	<u>185,312</u>	<u>55,463</u>

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees wages and help protect their jobs.

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 vehicles S\$	Renovation S\$	Total S\$
Cost						
At 1 April 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
Additions	6,370	4,503	4,154	88,750	28,709	132,486
Disposals	(1,299)	(550)	(8,636)	0	(2,862)	(13,347)
At 31 March 2020	<u>37,767</u>	<u>30,224</u>	<u>14,143</u>	<u>152,736</u>	<u>216,223</u>	<u>451,093</u>
Accumulated depreciation						
At 1 April 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
Depreciation	9,792	2,864	3,117	13,312	40,438	69,523
Disposals	(1,300)	(550)	(6,193)	0	(1,860)	(9,902)
At 31 March 2020	<u>18,592</u>	<u>22,831</u>	<u>9,678</u>	<u>77,298</u>	<u>166,387</u>	<u>294,786</u>
Carrying amount						
31 March 2019	<u>22,597</u>	<u>5,754</u>	<u>5,872</u>	<u>0</u>	<u>62,566</u>	<u>96,789</u>
31 March 2020	<u>19,175</u>	<u>7,393</u>	<u>4,465</u>	<u>75,438</u>	<u>49,836</u>	<u>156,307</u>

12. Trade and other payables

	2020 S\$	2019 S\$
Accruals	80,911	50,698
Provision for unutilised leave	9,575	5,778
Other payables	10,517	13,490
Trade payables	3,196	0
	<u>104,199</u>	<u>69,966</u>

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

13. Deferred capital grants

	Note	Care and Share S\$	Cyclical maintenance S\$	SG Cares S\$	VCF S\$	TOTE MET 2 S\$	CSF S\$	Total S\$
2020								
Beginning of the year		72,874	7,054	4,869	1,296	0	0	86,093
Grant received		0	0	0	0	44,675	48,933	93,608
Transfer between grants		974	0	(974)	0	0	0	0
Transfer from grant received in advance	14	35,064	0	2,815	0	0	0	37,879
Amortisation		(40,380)	(7,054)	(1,556)	(682)	(6,656)	(7,366)	(63,694)
Disposal		(3,088)	0	0	0	0	0	(3,088)
End of the year		<u>65,444</u>	<u>0</u>	<u>5,154</u>	<u>614</u>	<u>38,019</u>	<u>41,567</u>	<u>150,798</u>

	Note	Care and Share S\$	Cyclical maintenance S\$	SG Cares S\$	VCF S\$	Haze Funding S\$	Total S\$
2019							
Beginning of the year		95,165	18,282	0	1,706	543	115,696
Transfer from grant received in advance	14	10,636	0	4,952	0	0	15,588
Amortisation		(32,927)	(11,228)	(83)	(410)	(543)	(45,191)
End of the year		<u>72,874</u>	<u>7,054</u>	<u>4,869</u>	<u>1,296</u>	<u>0</u>	<u>86,093</u>

Deferred capital grants refer to grants received from Ministry of Social and Family Development ("MSF") under its Care and Share Matching fund, Community Chest Charity Support Fund, Cyclical Maintenance Programmes, Haze Funding 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	Consultancy Grant S\$	Shared Service Grant S\$	Care and Share S\$	Community Silver Trust ("CST") S\$	SG Cares S\$	TOTE MET S\$	Jobs Support Scheme S\$	Total S\$
2020									
Beginning of the year		0	430	65,092	254,471	146,853	0	0	466,846
Grants received		11,556	0	47,366	0	80,000	19,472	0	158,394
Grants receivable		0	0	81,652	0	0	0	52,433	134,085
Grant refunded		0	0	0	0	(91,885)	0	0	(91,885)
Transfer to deferred capital grants	13	0	0	(35,064)	0	(2,815)	0	0	(37,879)
Disbursements		0	(430)	(159,046)	(82,774)	(111,838)	0	0	(354,088)
End of the year		11,556	0	0	171,697	20,315	19,472	52,433	275,473
2019									
Beginning of the year		0	0	121,533	500,000	0	0	0	621,533
Grants received		4,224	3,743	0	0	160,000	0	0	167,967
Transfer to deferred capital grants	13	0	0	(10,636)	0	(4,952)	0	0	(15,588)
Disbursements		(4,224)	(3,313)	(45,805)	(245,529)	(8,195)	0	0	(307,066)
End of the year		0	430	65,092	254,471	146,853	0	0	466,846

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 10 months of economic uncertainty till January 2021 in which the entity recognises the related salary costs.

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:

	2020 S\$	2019 S\$
At beginning of the financial year	509,439	509,439
Transfer to general funds	(85,000)	0
At end of the financial year	<u>424,439</u>	<u>509,439</u>

During the financial year, the Management Committee has approved to transfer S\$85,000 from designated fund – fundraising fund to General Fund for sponsorship approved to Good Company Pte Ltd to support for Youth Development programme.

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.

16. Restricted funds (Cont'd)

Yuhua Senior Activities Centre ("SAC") Fund

Yuhua Senior Activities Centre ("SAC") receives funding from the Tote Board Social Services Fund ("TBSSF") administered by the Ministry of Health ("MOH") 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.

Other grants

Other grants comprise:

i. Community Chest Charity Support Fund ("CSF")

The Community Chest Charity Support grant is established by NCSS to provide programmes to empower service users and families, provide capital expenditure and capability building for community engagements with the aim of unlocking resources for service users.

ii. VCF Consultancy Fund

The Consultancy Grant is established to support the accounts internal controls review and advisory services of the Centre.

iii. 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.

iv. Share as One Fund

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.

v. VCF Shared Service Fund

The Shared Service Grant is established to support the outsourcing of payroll and accounting function of the Centre.

vi. SG Cares Volunteer Development Programme Fund ("SG Cares")

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.

vii. Sport SG Fund

Sport SG grant is established by SportCares Foundation to reach out to vulnerable seniors through sports and to promote inclusion and integration of seniors into the community through their engagement in adaptive sports which can be played by both able-bodied and disabled seniors.

16. Restricted funds (Cont'd)

viii. Toteboard Medical Escort and Transport ("TOTE MET" and "TOTE MET 2") Fund

Toteboard Medical Escort and Transport ("TOTE MET") grant seeks to provide funds for the Centre's operations that is in accordance with the terms and conditions set in the agreement with the Agency for Integrated Care ("AIC") including the service model provided by AIC.

Toteboard Medical Escort and Transport ("TOTE MET 2") grant seeks to equip the Centre with an additional specialised vehicle to increase the handling capacity of their MET services.

ix. 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.

x. 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

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

	2020 S\$	2019 S\$
<u>Related party – Good Company Private Limited</u>		
Sponsorship	<u>85,000</u>	<u>0</u>

(b) Compensation and key management personnel

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

	2020 S\$	2019 S\$
<u>Executive</u>		
Salaries and other short-term employee benefits	219,636	159,467
Post-employment benefits – Contribution to CPF	<u>28,032</u>	<u>18,748</u>
	<u>247,668</u>	<u>178,215</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 2020 and 2019.

18. Leases

	2020 S\$	2019 S\$
Lease expense not capitalised as liabilities		
<u>Expense relating to short-term leases</u>		
Rental of premises		
- Cost of generating funds	21,982	0
- Governance and administrative costs	5,496	0
	<u>27,478</u>	<u>0</u>
Leasing of photocopy machine		
- Governance and administrative costs	2,365	0
	<u>29,843</u>	<u>0</u>

During the financial year, the Centre's total cash outflows for leases amounts to S\$29,843 (2019: S\$Nil).

19. Commitments

19.1 Capital commitments

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

	2020 S\$	2019 S\$
Commitments for the acquisition of property, plant and equipment	0	93,750
Recorded as deposits	0	(13,881)
	<u>0</u>	<u>79,869</u>

19.2 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:

	2020 S\$	2019 S\$
<u>Office equipment</u>		
Not later than one year	2,183	2,183
Later than one year but not later than five years	6,013	8,378
	<u>8,196</u>	<u>10,561</u>

As disclosed in Note 2.1.1, the Company has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the statement of financial position as at 31 March 2020, except for short-term and low-value assets.

20. Financial instruments by category

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

	2020 S\$	2019 S\$
Financial assets, at amortised cost	1,848,842	1,795,720
Financial liabilities, at amortised cost	<u>101,003</u>	<u>69,966</u>

21. 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.

21.1 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\$	Total S\$
2020			
Financial assets			
Cash and bank balances	1,665,804	0	1,665,804
Other receivables (excluding prepayments)	<u>183,038</u>	<u>0</u>	<u>183,038</u>
	1,848,842	0	1,848,842
Financial liabilities			
Trade and other payables	<u>(101,003)</u>	<u>0</u>	<u>(101,003)</u>
Net financial assets	<u>1,747,839</u>	<u>0</u>	<u>1,747,839</u>

21.1 Liquidity risk (Cont'd)

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: (Cont'd)

	Within one year	Later than one year but not later than five years	Total
2019			
Financial assets			
Cash and bank balances	1,743,523	0	1,743,523
Other receivables (excluding prepayments)	52,197	0	52,197
	<u>1,795,720</u>	<u>0</u>	<u>1,795,720</u>
Financial liabilities			
Other payables	<u>(69,966)</u>	<u>0</u>	<u>(69,966)</u>
Net financial assets	<u>1,725,754</u>	<u>0</u>	<u>1,725,754</u>

21.2 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.

21.3 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:

	Note	2020 S\$	2019 S\$
Fixed rate instruments			
<u>Financial assets</u>			
Fixed deposits	9	<u>950,000</u>	<u>1,150,000</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.

22. Fair values

As at 31 March 2020, 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.

23. 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.

24. Reserve position and policy

The Centre's reserve position for financial year ended 31 March 2020 is as follows:

		2020	2019	Increase/ (Decrease)
		S\$'000	S\$'000	Percentage
A	Unrestricted Funds			
	Accumulated general funds	925	621	49%
	Designated Funds	424	510	(17%)
B	Restricted or Designated Funds			
	Restricted Funds	128	142	(10%)
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	1,477	1,273	16%
E	Total Annual Operating Expenditure	1,024	635	61%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.32	1.78	

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.

25. Events after the reporting period

An outbreak of COVID-19 (Coronavirus Disease 2019) had been reported in China on 31 December 2019. At the date of these financial statements, while the outbreak has been most severe in Asia, it has spread to various regions around the world, including Australia, Europe, Middle East and the United States of America. While the full impact to the Company cannot be quantified reliably, the Company's performance subsequent to the reporting period is likely to be negatively impacted as a result of regional and global travel restrictions, quarantine and/or illness of employees, loss of customers, supply chain disruptions, and other forms of interruptions to business.

26. Authorisation of financial statements

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

17 SEP 2020