LOVING HEART MULTI-SERVICE CENTRE (JURONG)

Unique Entity Number: T04SS0129D
(Registered under Societies Act and Charities Act)

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

GENERAL INFORMATION

Registered Office

Block 316 Jurong East Street 32
#01-279
Singapore 600316

Management Committee

The management committee in office at the date of this report are as follows:

Mr. Goh Cheng Tee, PBM	Chairman
Dr. Chua Song Peck, PBM BBM	Immediate Past Chairman
Mr. Tan Lip Kwang, Kelvin, PBM BBM	Vice-Chairperson
Mrs. Rhama Sankaran	Secretary
Ms. Chiang Ah Choo, PBM	Assistant Secretary
Mr. Tey Siang Lim, Gerald	Treasurer
Mr. Karthik Sankaran	Assistant Treasurer
Ms. Tay Siew Luan, Helen	Member
Mr. Ong Ah Hai	Member
Mr. Tsu Chin Sun Gary	Member
Mr. Wong Cheow Heng	Member
Mr. Kamalamohan s/o Kuppusamy Ramiah	Member
Mr. Ng Saing Leong	Member
Ms. Serene Ong Tee Yuh	Member
Mr. Lawrence Ng Kok Kiang	Member
Mr. Elvis Chong Ying Ming	Member

Auditor

Singapore Assurance PAC
Public Accountants and Chartered Accountants
Singapore

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LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF THE MANAGEMENT COMMITTEE

In our opinion,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Centre as at 31 March 2018 and of the financial activities and cash flows for the financial year ended on that date in accordance with Charities Accounting Standards, Charities Act, Chapter 37 and Societies Act, Chapter 311 (the "Acts"), and

(b) 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 has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Management Committee

Goh Cheng Tee, PBM
Chairman

Tey Siang Lim
Treasurer

Singapore
11 JUN 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of Loving Heart Multi-Service Centre (Jurong) (the "Centre"), which comprise the statement of financial position as at 31 March 2018, the statement of financial activities and statement of cash flows 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 Charities Accounting Standards, and Charities Act, Chapter 37 and Societies Act, Chapter 311 (the "Acts"), so as to give a true and fair view of the financial position of the Centre as at 31 March 2018 and of the financial activities and cash flows of the Centre for the 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 Company in accordance with the Accounting and Corporate Regulatory Authority ("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 opinion.

Other Information

Management Committee is responsible for the other information. The other information comprises the Statement of the Management Committee (set out on page 1), 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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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

Report on the Financial Statements

Responsibilities of Management Committee for the Financial Statements

The Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the Acts and Charities Accounting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management Committee 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.

The Management Committee' responsibilities include 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 judgment 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

Report on the Financial Statements

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

- 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 Committee.

- Conclude on the appropriateness of Management Committee'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 the Management Committee 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.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

Report on Other Legal and Regulatory Requirements

In our opinion,

(a) the accounting and other records required by the regulations enacted under the Acts to be kept by the Centre have been properly kept in accordance with those regulations; and

(b) the Fund-raising appeals held during the financial year have been carried out in accordance with regulation 6 of the Societies (Fund-raising appeals) Regulations issued under the Societies Act, Chapter 311 and proper accounts and other records have been kept of the Fund-raising appeals.

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

(a) the use of the donation moneys was not in accordance with the objectives of the Centre as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Centre has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

SINGAPORE ASSURANCE PAC
Public Accountants and
Chartered Accountants

Singapore
11 June 2018

Chartered Accountant SINGAPORE | Accredited Training Organisation

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LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018	2017
		S$	S$
ASSETS			
Non-current assets			
Plant and equipment	(4)	48,032	47,253
Fixed deposits	(7)	500,000	100,000
		548,032	147,253
Current assets			
Trade receivables	(5)	42,425	123,075
Other receivables	(6)	289,144	168,203
Fixed deposits	(7)	1,900,000	2,100,000
Cash and bank balances	(8)	454,700	763,820
		2,686,269	3,155,098
Less			
Current liability			
Accruals		80,510	83,051
Net current assets		2,605,759	3,072,047
NET ASSETS		3,153,791	3,219,300
REPRESENTED BY:			
Unrestricted fund		3,153,791	3,219,300

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

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 Total funds S$	2017 Total funds S$
Incoming resources			
Income from generating funds			
- Voluntary income	(9)	800,079	1,094,307
- Investment income	(10)	25,049	54,522
Other income	(11)	1,319	1,307
Total incoming resources		826,447	1,150,136
Resources expended			
Costs of generating funds			
- Voluntary income	(12)	140,720	124,241
- Charitable activities	(13)	570,707	405,302
- Governance costs	(14)	180,529	163,354
- Other expenditures		-	14,500
Total resources expended		891,956	707,397
Net incoming resources		(65,509)	442,739
Reconciliation of Funds			
Total Fund brought forward		3,219,300	2,776,561
Total Fund carried forward		3,153,791	3,219,300

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

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 S$	2017 S$
Cash flows from operating activities			
Net incoming resources		(65,509)	442,739
Adjustments for:			
Bad debts written off, trade		-	14,500
Depreciation of plant and equipment	(4)	14,777	11,396
Gain on disposal of plant and equipment		(200)	
Interest income		(25,049)	(54,522)
Operating (loss)/profit before working capital changes		(75,981)	414,113
Changes in working capital:			
Trade and other receivables		(40,291)	(35,969)
Accruals		(2,541)	(13,916)
Net cash (used in)/from operating activities		(118,813)	364,228
Cash flows from investing activities			
Acquisition of plant and equipment	(4)	(15,556)	(25,780)
Proceeds from disposal of plant and equipment		200	-
Interest received		25,049	19,826
Net cash from/(used in) investing activities		9,693	(5,954)
Cash flows from investing activity			
Fixed deposit		(200,000)	(500,000)
Net cash used in financing activity		(200,000)	(500,000)
Net decrease in cash and cash equivalents		(309,120)	(141,726)
Cash and cash equivalents at beginning of the financial year		763,820	905,546
Cash and cash equivalents at end of the financial year	(8)	454,700	763,820

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

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

The financial statements were authorised for issue as stated in the Statement of the Management Committee.

1. GENERAL

Loving Heart Multi-Service Centre (Jurong) (the "Centre") is registered under Societies Act, Chapter 311 and domiciled in the Republic of Singapore. The Centre is also a registered charity under the Charities Act, Chapter 37 and is an approved Institution of a Public Character.

The registered office is at Block 316 Jurong East Street 32, #01-279, Singapore 600316.

The principal activities of the Centre is to provide social and welfare services to families, elderly residents and students living or studying in the South West CDC area. The Centre is a joint project between Jurong Central and Jurong Spring Citizen's Consultative Committee and funded by private donors and organisations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Charities Accounting Standards ("CAS").

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention except as otherwise described below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollar (S$), which is the Centre's functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of the Centre's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, 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.

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgments (cont'd)

(i) Judgments made in applying accounting policies

Determination of functional currency
In determining the functional currency of the Centre, judgment is used by the Centre to determine the currency of the primary economic environment in which the Centre operates. Consideration factors include the currency that (i) mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services; (ii) funds from financing activities are generated; and (iii) receipts from operating activities are usually retained.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Centre based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Centre. Such changes are reflected in the assumptions when they occur.

Useful lives of plant and equipment
The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

The carrying amount of the Centre's plant and equipment as at 31 March 2018 is disclosed in Note 4 to the financial statements.

Impairment of loans and receivables
The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each donors. If the financial conditions of these donors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Centre's trade and other receivables, as at 31 March 2018 are disclosed in Notes 5 and 6 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

(i) Non-derivative financial assets

The Centre initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Centre becomes a party to the contractual provisions of the instrument.

The Centre derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred assets. Any interest in transferred financial assets that is created or retained by the Centre is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Centre has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Centre classifies non-derivative financial assets into the loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, fixed deposits, and cash and cash equivalents.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Centre in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Centre's cash management are included in cash and cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Non-derivative financial liabilities

The Centre initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Centre becomes a party to the contractual provisions of the instrument.

The Centre derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Centre has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Centre classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise accruals.

3.2 Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Centre, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another assets. Leased assets are depreciated over the shortest of the lease term and their useful lives unless it is reasonably certain that the Centre will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Office equipment	5 years
Furniture and fittings	5 years
Computers	3 years
Renovation	10 years
Other assets	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Objective evidence that financial assets are impaired can include default or delinquency by a donor, indications that a donor or issuer will enter bankruptcy, and adverse changes in the payment status of borrowers, economic conditions that correlate with defaults. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Centre considers evidence of impairment for loans and receivables at a specific asset level. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Centre uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Centre considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Centre's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.4 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) 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 under short-term cash bonus or profit sharing plans 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Provisions

A provision is recognised if, as a result of a past event, the Centre has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Centre and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

(i) Donations

Donations are recognised as and when they are received.

(ii) Fund-raising

Income from fund-raising projects are recognised when the amount received or fund committed to receive.

(iii) Interest income

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

3.7 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Centre will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Centre for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.8 Funds

Restricted funds are funds held by the Centre that can only be applied for specific purpose which may be declared by donors or with their authority or created through legal process. Unrestricted funds are expendable at the discretion of the Centre's Management Committee in furtherance of the Centre's objects.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Funds (cont'd)

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

3.9 Lease

Finance lease which transfer to the Centre substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the lease asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payment are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contigent rents, if any, are charged as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.10 Income tax

The Centre is exempt from income tax on income and gains under the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

3.11 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Centre has adopted all the new and revised standards which are relevant to the Centre and are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any material effect on the financial statements.

3.12 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Centre.

4. PLANT AND EQUIPMENT

	Office equipment S$	Furniture and fittings S$	Computers S$	Renovation S$	Other assets S$	Total S$
Cost						
Balance at 1/4/2016	37,056	49,640	10,194	251,396	1,582	349,868
Additions	-	3,208	6,652	15,920	-	25,780
Balance at 31/3/2017	37,056	52,848	16,846	267,316	1,582	375,648
Additions	2,664	9,682	-	3,210	-	15,556
Disposal	(5,200)	-	-	-	-	(5,200)
Balance at 31/3/2018	34,520	62,530	16,846	270,526	1,582	386,004
Accumulated Depreciation						
Balance at 1/4/2016	26,811	27,258	10,194	251,396	1,340	316,999
Depreciation	2,452	6,585	1,280	979	100	11,396
Balance at 31/3/2017	29,263	33,843	11,474	252,375	1,440	328,395
Depreciation	2,585	8,145	2,195	1,752	100	14,777
Disposal	(5,200)	-	-	-	-	(5,200)
Balance at 31/3/2018	26,648	41,988	13,669	254,127	1,540	337,972
Net Carrying Amount						
Balance at 31/3/2017	7,793	19,005	5,372	14,941	142	47,253
Balance at 31/3/2018	7,872	20,542	3,177	16,399	42	48,032

5. TRADE RECEIVABLES

Trade receivables represent committed funds receivable at end of the financial year.

6. OTHER RECEIVABLES

	2018	2017
	S$	S$
Accrued income	160,752	-
Deposits	1,869	3,409
Prepayments	103,728	129,250
Other receivables	22,795	35,544
	289,144	168,203

7. FIXED DEPOSITS

Fixed deposits are placed with the financial institutions and mature within 12 to 36 months (2017: 12 to 36 months). The effective interest ranged between 1.10% and 1.65% (2017: between 1.10% and 1.70%) per annum.

8. CASH AND BANK BALANCES

	2018	2017
	S$	S$
Cash at bank	454,200	763,320
Cash on hand	500	500
	454,700	763,820

9. VOLUNTARY INCOME

	2018	2017
	S$	S$
Donations - Tax deductible	183,369	416,219
- Non-tax deductible	203,007	211,849
Charity Golf Cum Dinner - Tax deductible	231,523	282,994
- Non-tax deductible	28,684	36,676
Grant received	152,836	145,909
Sponsorship	660	660
	800,079	1,094,307

10. INVESTMENT INCOME

	2018 S$	2017 S$
Fixed deposits interest	25,049	54,522

11. OTHER INCOME

	2018 S$	2017 S$
Gain on disposal of plant and equipment	200	-
Other income	1,119	1,307
	1,319	1,307

12. COST OF GENERATING FUNDS

	2018 S$	2017 S$
Charity Golf Cum dinner	55,406	41,983
Pledge cards	78,466	74,822
Support costs	6,848	7,436
	140,720	124,241

13. CHARITABLE ACTIVITIES

	2018 S$	2017 S$
Pupil Breakfast Scheme	148,241	22,379
STAMP programme	22,359	27,394
Project Big Heart	4,388	834
Free TCM Clinic	167	469
Free Tuition Service	6,795	2,503
Project Home Sweet Home	819	-
Adopt-A-Home	773	565
Food Gift	1,746	416
Chair Based Exercise	77	133
Civic Dinner	10,642	20,882
Appreciation Dinner	21,966	17,158
Other Activities	4,742	2,431
Support Costs	347,992	310,138
	570,707	405,302

14. GOVERNANCE COSTS

	2018	2017
	S$	S$
Audit Fee	6,206	5,644
Depreciation	14,777	11,396
General Insurance	6,772	6,011
Bookkeeping Fee	700	4,200
Support Costs	152,074	136,103
	180,529	163,354

15. BOARD OF MANAGEMENT PERSONNEL

The Centre is governed by the Management Committee. All Committee members are volunteers and receive no monetary remuneration for their contributions.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Centre has no formal risk management policies and guidelines, which set out its overall fund strategies, its tolerance for risk and its general risk management philosophy. It has however established informal processes to monitor and control such risks on a timely and accurate manner. Such policies are monitored and undertaken by the Management Committee.

Risk management is integral to the Centre. The management continually monitors the Centre's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Centre's activities.

No derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Centre does not apply hedge accounting.

The key financial risks include credit risk, liquidity risk and interest rate risk. The following provide details regarding the Centre's exposure to the risks and the objectives, policies and processes for the management of these risks.

16.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Centre's exposure to credit risk arises primarily from trade and other receivables, fixed deposits, and cash and cash equivalents.

At reporting date, the carrying amounts of trade and other receivables, and cash and cash equivalents represent the Centre's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

16.2 Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Centre monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents.

The contractual undiscounted cash flows of accruals are equivalent to their carrying amounts and are repayable within one year.

16.3 Interest rate risk

The interest rate risk exposure is mainly arise from changes in floating interest rate. The Centre is not exposed to significant interest rate risk as it does not have interest-bearing assets or liabilities except for fixed deposits which has a fixed interest rate. Accordingly, sensitivity analysis is not disclosed.

17. FINANCIAL INSTRUMENTS

Fair value

The fair value of financial assets and liabilities is at the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of trade and other receivables, fixed deposits, cash and bank balances and accruals are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Financial instruments by category

The carrying amounts of financial instruments in each of the following categories are as follows:

	2018	2017
	S$	S$
Loans and receivables:		
- Trade receivables	42,425	123,075
- Other receivables	185,416	38,953
- Fixed deposits	2,400,000	2,200,000
- Cash and bank balances	454,700	763,820
	3,082,541	3,125,848

17. FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category (cont'd)

	2018 S$	2017 S$
Financial liabilities measured at amortised cost:		
- Accruals	80,510	83,051

18. FUND MANAGEMENT

The Centre objectives when managing its funds are to safeguard its ability to maintain adequate working capital to continue as going concern, to promote its objective to provide social and welfare services to families, elderly residents and any person living in the Southwest CDC area and these objectives remain unchanged from previous year.

The Centre is not subject to externally imposed funds requirements.

19. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year's presentation:

	As previously reported S$	Reclassified S$	As restated S$
Statement of comprehensive income			
Non-current assets	-	100,000	100,000
Fixed deposits			
Current assets			
Fixed deposits	2,200,000	(100,000)	2,100,000
Statement of financial activities			
Income from generating funds			
- Voluntary income	587,783	506,524	1,094,307
- Activities for generating funds	506,524	(506,524)	-
- Investment income	55,829	(1,307)	54,522
- Other income	-	1,307	1,307

19. COMPARATIVE FIGURES (CONT'D)

	As previously reported S$	Reclassified S$	As restated S$
Statement of financial activities			
Cost of generating funds			
- Voluntary income	95,163	29,078	124,241
- Charitable activities	116,805	288,497	405,302
- Governance costs	495,429	(332,075)	163,354
- Other expenditures	-	14,500	14,500
Restricted funds	144,355	(144,355)	-
Unrestricted funds	2,632,206	144,355	2,776,561