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 2019

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
Dr. Tsu Chin Sun Gary	Member
Mr. Wong Cheow Heng (Deceased)	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

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of 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 2019 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
22 MAY 2019

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 2019, 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 2019 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.

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's 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.

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 11 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
22 May 2019

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019	2018
		S$	S$
ASSETS			
Non-current assets			
Plant and equipment	(4)	35,141	48,032
Fixed deposits	(5)	400,000	500,000
		435,141	548,032
Current assets			
Trade receivables	(6)	109,870	42,425
Other receivables	(7)	296,565	289,144
Fixed deposits	(5)	2,100,000	1,900,000
Cash and bank balances	(8)	360,448	454,700
		2,866,883	2,686,269
Less: Current liability			
Accruals		76,096	80,510
Net current assets		2,790,787	2,605,759
NET ASSETS		3,225,928	3,153,791
REPRESENTED BY:			
Unrestricted fund		3,225,928	3,153,791

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 2019

	Note	2019 Total funds S$	2018 Total funds S$
Incoming resources			
Income from generating funds			
- Voluntary income	(9)	829,669	800,079
- Investment income	(10)	36,506	25,049
Other income	(11)	1,842	1,319
Total incoming resources		868,017	826,447
Resources expended			
Costs of generating funds			
- Voluntary income	(12)	105,060	140,720
- Charitable activities	(13)	515,954	570,707
- Governance costs	(14)	174,866	180,529
Total resources expended		795,880	891,956
Net incoming resources		72,137	(65,509)
Reconciliation of Funds			
Total Fund brought forward		3,153,791	3,219,300
Total Fund carried forward		3,225,928	3,153,791

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 2019

	Note	2019 S$	2018 S$
Cash flows from operating activities			
Net incoming resources		72,137	(65,509)
Adjustments for:			
Depreciation of plant and equipment	(4)	14,430	14,777
Gain on disposal of plant and equipment		-	(200)
Interest income		(36,506)	(25,049)
Operating profit/(loss) before working capital changes		50,061	(75,981)
Changes in working capital:			
Trade and other receivables		(74,866)	(40,291)
Accruals		(4,414)	(2,541)
Net cash used in operating activities		(29,219)	(118,813)
Cash flows from investing activities			
Acquisition of plant and equipment	(4)	(1,539)	(15,556)
Proceeds from disposal of plant and equipment		-	200
Interest received		36,506	25,049
Net cash from investing activities		34,967	9,693
Cash flows from investing activity			
Fixed deposit		(100,000)	(200,000)
Net cash used in financing activity		(100,000)	(200,000)
Net decrease in cash and cash equivalents		(94,252)	(309,120)
Cash and cash equivalents at beginning of the financial year		454,700	763,820
Cash and cash equivalents at end of the financial year	(8)	360,448	454,700

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

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

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

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 2019 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 2019 are disclosed in Notes 6 and 7 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) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Centre becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Centre changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets (cont'd)

Equity investments at FVOCI
On initial recognition of an equity investment that is not held-for-trading, the Centre may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Financial assets at FVTPL
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Centre may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Centre makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Centre's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Centre's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Centre considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Centre considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Centre's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

<u>*Financial assets at FVTPL*</u>
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses (cont'd)

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised accruals.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(iii) Derecognition

Financial assets

The Centre derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Centre neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Centre enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Centre derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Centre also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

(v) 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, 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)

3.2 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 is recognised in profit or loss.

(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 shorter 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. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Plant and equipment (cont'd)

(iii) Depreciation (cont'd)

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 and contract assets

The Centre recognises loss allowances for expected credit losses (ECLs) on:
- financial assets measured at amortised costs;
- debt investments measured at FVOCI;
- contract assets (as defined in FRS115); and
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Centre are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset

Simplified approach
The Centre applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach
The Centre applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Centre assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Centre considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Centre's historical experience and informed credit assessment and includes forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Impairment (cont'd)

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

General approach (cont'd)
If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Centre considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Centre in full, without recourse by the Centre to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Centre considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Centre in full, without recourse by the Centre to actions such as realising security (if any is held).

The Centre considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Centre in full, without recourse by the Centre to actions such as realising security (if any is held). The Centre only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Centre is exposed to credit risk.

Measurement of ECLs
ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Centre expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Centre assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Centre on terms that the Centre would not consider otherwise;

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Impairment (cont'd)

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

Credit-impaired financial assets (cont'd)

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Centre determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Centre's procedures for recovery of amounts due.

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Impairment (cont'd)

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

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.

3.5 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Revenue

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 related to assets 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.

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

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Lease (cont'd)

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Centre determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Centre separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Centre concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Centre's incremental borrowing rate.

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 2018. 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 issued but effective for annual periods beginning after 1 April 2019, and have not been applied in preparing these financial statements. The Centre does not plan to early adopt these standards. The Centre is currently assessing the potential impact of adopting these standards and interpretations, on the financial statements of the Centre. 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 1/4/2017	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
Additions	-	619	920	-	-	1,539
Balance at 31/3/2019	34,520	63,149	17,766	270,526	1,582	387,543
Accumulated Depreciation						
Balance at 1/4/2017	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
Depreciation	2,985	7,244	2,246	1,913	42	14,430
Balance at 31/3/2019	29,633	49,232	15,915	256,040	1,582	352,402
Net Carrying Amount						
Balance at 31/3/2018	7,872	20,542	3,177	16,399	42	48,032
Balance at 31/3/2019	4,887	13,917	1,851	14,486	-	35,141

5. FIXED DEPOSITS

Fixed deposits are placed with the financial institutions and mature within 12 to 36 months (2018: 12 to 36 months). The effective interest ranged between 1.17% and 1.80% (2018: between 1.10% and 1.65%) per annum.

6. TRADE RECEIVABLES

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

7. OTHER RECEIVABLES

	2019 S$	2018 S$
Accrued income	151,641	160,752
Deposits	3,069	1,869
Prepayments	109,777	103,728
Other receivables	32,078	22,795
	296,565	289,144

8. CASH AND BANK BALANCES

	2019 S$	2018 S$
Cash at bank	359,948	454,200
Cash on hand	500	500
	360,448	454,700

9. INCOME FROM GENERATING FUNDS - VOLUNTARY INCOME

	2019 S$	2018 S$
Donations - Tax deductible	224,192	183,369
- Non-tax deductible	186,051	203,007
Charity Golf Cum Dinner - Tax deductible	-	231,523
- Non-tax deductible	-	28,684
Gala Charity Dinner - Tax deductible	274,157	-
- Non-tax deductible	34,117	-
Grant received	110,672	152,836
Sponsorship	480	660
	829,669	800,079

10. INCOME FROM GENERATING FUNDS - INVESTMENT INCOME

	2019 S$	2018 S$
Fixed deposits interest	36,506	25,049

11. INCOME FROM GENERATING FUNDS - OTHER INCOME

	2019 S$	2018 S$
Gain on disposal of plant and equipment	-	200
Other income	1,842	1,119
	1,842	1,319

12. COST OF GENERATING FUNDS - VOLUNTARY INCOME

	2019 S$	2018 S$
Charity Golf Cum dinner	-	55,406
Gala Charity dinner	31,491	-
Pledge cards	66,067	78,466
Support costs	7,502	6,848
	105,060	140,720

13. COST OF GENERATING FUNDS - CHARITABLE ACTIVITIES

	2019 S$	2018 S$
Pupil Breakfast Scheme	98,973	148,241
STAMP programme	5,041	22,359
Project Big Heart	6,522	4,388
Free TCM Clinic	161	167
Free Tuition Service	6,359	6,795
Project Home Sweet Home	-	819
Adopt-A-Home	449	773
Food Gift	7,944	1,746
Chair Based Exercise	96	77
Community STAMP	1,994	-
Civic Dinner	18,199	10,642
Appreciation Dinner	23,298	21,966
Other Activities	9,867	4,742
Support Costs	337,051	347,992
	515,954	570,707

14. COST OF GENERATING FUNDS - GOVERNANCE COSTS

	2019 S$	2018 S$
Audit Fee	5,618	6,206
Depreciation	14,429	14,777
General Insurance	7,153	6,772
Bookkeeping Fee	-	700
Support Costs	147,666	152,074
	174,866	180,529

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, the Centre minimises credit risk by dealing with high credit rating counterparties.

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:

	2019	2018
	S$	S$
Financial assets measured at amortised cost:		
- Trade receivables	109,870	42,425
- Other receivables	186,788	185,416
- Fixed deposits	2,500,000	2,400,000
- Cash and bank balances	360,448	454,700
	3,157,106	3,082,541

17. FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category (cont'd)

	2019 S$	2018 S$
Financial liability measured at amortised cost:		
- Accruals	76,096	80,510

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.