

**LOVING HEART MULTI-SERVICE
CENTRE**

[UEN. T03SS0014A]

[Registered under the Registry of Societies Act,
Chapter 311 in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018**

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Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and
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STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- a) the financial statements are drawn up so as so as to present fairly, in all material respects, the state of affairs of **Loving Heart Multi-Service Centre** ("the Centre") as at 31 March 2018 and the results, changes in funds and cash flows of the Centre for the financial year then ended.
- 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, comprising the following, authorised the issue of these financial statements on

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

On behalf of the Management Committee,



Teng Su Ching
President



Mabel Chin Vi Ki
Treasurer

Singapore,

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

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

LOVING HEART MULTI-SERVICE CENTRE
[UEN. T03SS0014A]

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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Loving Heart Multi-Service Centre** (the "Centre"), which comprise the statement of financial position as at 31 March 2018, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Centre for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Centre as at 31 March 2018, and the results, changes in funds and cash flows of the Centre for the financial year ended on that date.

Basis for Opinion

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

Other information

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

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

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

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(CONT'D)

Independent auditor's report to the members of:

LOVING HEART MULTI-SERVICE CENTRE
[UEN. T03SS0014A]

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Independent auditor's report to the members of:

LOVING HEART MULTI-SERVICE CENTRE
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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

Report on other Legal and Regulatory Requirements

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

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

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

Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore,

Partner-in-charge: Looi Chee Bin
PAB. No.: 01834

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

	2018		
	Unrestricted fund S\$	Restricted funds S\$	Total funds S\$
INCOME			
Income from generating funds			
- Voluntary income			
Donations	7,160	122	7,282
Grants	480	473,474	473,954
- Activities from generating funds	13,495	38,450	51,945
Income from charitable activities	0	59,113	59,113
Other income	24,229	3,864	28,093
TOTAL INCOME	45,364	575,023	620,387
EXPENDITURES			
Cost of generating funds	0	145,070	145,070
Cost of charitable activities	2,295	236,144	238,439
Governance costs	15,093	148,638	163,731
TOTAL EXPENDITURES	17,388	529,852	547,240
NET SURPLUS	27,976	45,171	73,147
	2017		
	Unrestricted fund S\$	Restricted funds S\$	Total funds S\$
INCOME			
Income from generating funds			
- Voluntary income			
Donations	508,466	669	509,135
Grants	35,147	1,418,820	1,453,967
- Activities from generating funds	12,807	37,262	50,069
Income from charitable activities	0	48,885	48,885
Other income	10,461	6,810	17,271
TOTAL INCOME	566,881	1,512,446	2,079,327
EXPENDITURES			
Cost of generating funds	0	122,813	122,813
Cost of charitable activities	1,354,227	1,213,104	2,567,331
Governance costs	509	132,356	132,865
TOTAL EXPENDITURES	1,354,736	1,468,273	2,823,009
NET (DEFICIT) /SURPLUS	(787,855)	44,173	(743,682)

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

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

	Note	Unrestricted fund	Restricted funds					Other grants S\$	Total S\$	Total funds S\$
		General fund S\$	Care and Share S\$	Consultancy S\$	Medical Escort S\$	SAC S\$	Shared Service S\$			
INCOME										
Income from generating funds										
Voluntary income										
Donations										
Donation - Non-tax exempt	4	4,235	0	0	0	122	0	122	4,357	
Donation - Tax exempt		2,925	0	0	0	0	0	0	2,925	
Grants										
Care & Share		0	257,059	0	0	0	0	257,059	257,059	
Community Care Training		0	0	0	0	0	540	540	540	
Consultancy Grant		0	0	13,923	0	0	0	13,923	13,923	
MSF		0	0	0	0	153,300	0	153,300	153,300	
NCSS		0	0	0	0	37,808	0	37,808	37,808	
Share as One		0	0	0	0	0	6,186	6,186	6,186	
Shared Service Grant		0	0	0	0	0	4,137	4,137	4,137	
Singtel Sponsorship		480	0	0	0	0	0	480	480	
VCF-ICT		0	0	0	0	0	521	521	521	
		7,640	257,059	13,923	0	191,230	4,137	7,247	473,596	
Activities for generating funds										
Birthday celebration		0	0	0	0	11,037	0	11,037	11,037	
Centre's activities		13,495	0	0	0	27,413	0	27,413	40,908	
		13,495	0	0	0	38,450	0	38,450	51,945	
Income from charitable activities										
Grant - MOH		0	0	0	33,293	0	0	33,293	33,293	
Grant - SWCDC		0	0	0	14,909	0	0	14,909	14,909	
Income - medical escort		0	0	0	10,911	0	0	10,911	10,911	
		0	0	0	59,113	0	0	59,113	59,113	
Other income										
Employment grants		13,463	0	0	0	0	0	0	13,463	
Interest Income		10,766	0	0	0	537	0	537	11,303	
Miscellaneous Income		0	0	0	0	3,327	0	3,327	3,327	
		24,229	0	0	0	3,864	0	3,864	28,093	
TOTAL INCOME		45,364	257,059	13,923	59,113	233,544	4,137	7,247	575,023	

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (Cont'd)

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (Cont'd)

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

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Unrestricted fund	Restricted funds					Total S\$	2017 Total funds S\$
		General fund S\$	Care and Share S\$	Consultancy S\$	Medical Escort S\$	SAC S\$	Shared Service S\$		
INCOME									
Income from generating funds									
Voluntary income									
Donations									
Donation - Non-tax exempt		503,639	0	0	0	669	0	669	
Donation - Tax exempt	4	4,827	0	0	0	0	0	0	
Grants									
Care & Share		34,667	1,225,469	0	0	0	0	1,225,469	
Consultancy Grant		0	0	4,109	0	0	0	4,109	
MSF		0	0	0	0	150,037	0	150,037	
NCSS		0	0	0	0	36,955	0	36,955	
Shared Service Grant		0	0	0	0	0	2,250	2,250	
Singtel Sponsorship		480	0	0	0	0	0	480	
		<u>543,613</u>	<u>1,225,469</u>	<u>4,109</u>	<u>0</u>	<u>187,661</u>	<u>2,250</u>	<u>1,419,489</u>	
Activities for generating funds									
Birthday celebration		0	0	0	0	11,775	0	11,775	
Centre's activities		12,807	0	0	0	25,487	0	25,487	
		<u>12,807</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,262</u>	<u>0</u>	<u>37,262</u>	
Income from charitable activities									
Grant - MOH		0	0	0	29,750	0	0	29,750	
Grant - SWCDC		0	0	0	10,600	0	0	10,600	
Income - medical escort		0	0	0	8,535	0	0	8,535	
		<u>0</u>	<u>0</u>	<u>0</u>	<u>48,885</u>	<u>0</u>	<u>0</u>	<u>48,885</u>	
Other income									
Employment grants		7,387	0	0	0	0	0	7,387	
Interest Income		3,074	0	0	0	348	0	3,422	
Miscellaneous Income		0	0	0	0	6,462	0	6,462	
		<u>10,461</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,810</u>	<u>0</u>	<u>17,271</u>	
TOTAL INCOME		<u>566,881</u>	<u>1,225,469</u>	<u>4,109</u>	<u>48,885</u>	<u>231,733</u>	<u>2,250</u>	<u>1,512,446</u>	

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (Cont'd)

	Note	Unrestricted fund	Restricted funds					Total S\$	Total funds S\$
		General fund S\$	Care and Share S\$	Consultancy S\$	Medical Escort S\$	SAC S\$	Shared Service S\$		
EXPENDITURES									
Cost of generating funds									
Depreciation	6	0	22,796	0	0	9,740	0	32,536	
Event expenses		0	1,143	0	0	6,222	0	7,365	
Rental of premises	6	0	4,448	0	0	17,534	0	21,982	
Staff cost	6	0	21,978	0	0	20,938	0	42,916	
Trainer allowance		0	5,737	0	0	3,833	0	9,570	
Utilities	6	0	4,074	0	0	4,370	0	8,444	
		0	60,176	0	0	62,637	0	122,813	
Cost of charitable activities									
Audit fees		0	587	0	613	0	0	1,200	
Birthday celebration		0	0	0	0	12,245	0	12,245	
Depreciation	6	0	6,324	0	6,541	0	0	12,865	
Medical Escort		0	8,789	0	9,187	0	0	17,976	
Repair and maintenance		0	786	0	822	0	0	1,608	
Sponsorship - NKF		1,000,000	1,000,000	0	0	0	0	2,000,000	
Sponsorship - Others		4,227	0	0	0	0	0	4,227	
Sponsorship - Related party	15	350,000	0	0	0	0	0	350,000	
Staff cost	6	0	72,155	0	31,722	62,813	0	166,690	
Volunteer - Silver Heart		0	520	0	0	0	0	520	
		1,354,227	1,089,161	0	48,885	75,058	0	2,567,331	

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (Cont'd)

EXPENDITURES (CONT'D)	Note	Unrestricted fund	Restricted funds					Total S\$	2017 Total funds S\$	
		General fund S\$	Care and Share S\$	Consultancy S\$	Medical Escort S\$	SAC S\$	Shared Service S\$			
Governance costs										
Accounting fees		0	6,168	0	0	2,127	2,250	10,545	10,545	
Auditor's remuneration		0	5,540	0	0	3,186	0	8,726	8,726	
Bank charges		0	265	0	0	73	0	338	338	
Consultancy fee		0	1,027	4,109	0	0	0	5,136	5,136	
Course fee		0	730	0	0	69	0	799	799	
Depreciation	6	0	6,686	0	0	3,917	0	10,603	10,603	
General expenses		0	453	0	0	1,273	0	1,726	1,726	
Insurance		0	908	0	0	846	0	1,754	1,754	
IT equipment		0	57	0	0	0	0	57	57	
Leasing of photocopy machine		0	2,286	0	0	0	0	2,286	2,286	
Licence fees		0	0	0	0	400	0	400	400	
Loss on disposal	29	0	0	0	0	0	0	0	29	
Newspaper / Magazine		0	510	0	0	666	0	1,176	1,176	
Office refreshments		0	412	0	0	0	0	412	412	
Office supplies		0	235	0	0	385	0	620	620	
Parking fees		0	9	0	0	0	0	9	9	
Postage and courier		0	150	0	0	10	0	160	160	
Printing and stationery		0	2,384	0	0	1,239	0	3,623	3,623	
Recruitment		0	129	0	0	0	0	129	129	
Rental of premises	6	0	1,112	0	0	4,384	0	5,496	5,496	
Repair and maintenance		0	1,077	0	0	1,334	0	2,411	2,411	
Staff costs	6	0	42,554	0	0	26,945	0	69,499	69,499	
Staff welfare		0	103	0	0	326	0	429	429	
Telephone expenses		480	2,179	0	0	1,496	0	3,575	4,155	
Transportation		0	140	0	0	96	0	236	236	
Utilities	6	0	1,018	0	0	1,093	0	2,111	2,111	
			<u>509</u>	<u>76,132</u>	<u>4,109</u>	<u>0</u>	<u>49,865</u>	<u>2,250</u>	<u>132,356</u>	<u>132,865</u>
TOTAL EXPENDITURES			<u>1,354,736</u>	<u>1,225,469</u>	<u>4,109</u>	<u>48,885</u>	<u>187,560</u>	<u>2,250</u>	<u>1,468,273</u>	<u>2,823,009</u>
Net (Deficit) / Surplus			<u>(787,855)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,173</u>	<u>0</u>	<u>44,173</u>	<u>(743,682)</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and bank balances	7	1,565,537	1,221,349
Other receivables	8	<u>30,839</u>	<u>11,132</u>
		1,596,376	1,232,481
Non-current asset			
Property, plant and equipment	9	<u>131,784</u>	<u>184,636</u>
Total assets		<u>1,728,160</u>	<u>1,417,117</u>
LIABILITIES			
Current liabilities			
Other payables	10	56,033	43,684
Deferred capital grants	11	115,696	154,845
Grants received in advance	12	<u>621,533</u>	<u>356,837</u>
Total liabilities		<u>793,262</u>	<u>555,366</u>
NET ASSETS		<u>934,898</u>	<u>861,751</u>
FUNDS			
Unrestricted funds			
General fund	13	298,525	269,649
Designated fund	13	<u>509,439</u>	<u>510,339</u>
		807,964	779,988
Restricted funds			
Yuhua senior activities centre ("SAC")	14	<u>126,934</u>	<u>81,763</u>
TOTAL FUNDS		<u>934,898</u>	<u>861,751</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Balance at beginning of financial year S\$	Net Surplus S\$	Gross transfers between funds S\$	Balance at end of financial year S\$
2018				
Unrestricted funds				
General fund	269,649	27,976	900	298,525
Designated fund	510,339	0	(900)	509,439
	<u>779,988</u>	<u>27,976</u>	<u>0</u>	<u>807,964</u>
Restricted funds				
Yuhua senior activities centre ("SAC")	81,763	45,171	0	126,934
Total funds	<u>861,751</u>	<u>73,147</u>	<u>0</u>	<u>934,898</u>
	Balance at beginning of financial year S\$	Net (Deficit) / Surplus S\$	Gross transfers between funds S\$	Balance at end of financial year S\$
2017				
Unrestricted funds				
General fund	207,504	(787,855)	850,000	269,649
Designated fund	1,360,339	0	(850,000)	510,339
	<u>1,567,843</u>	<u>(787,855)</u>	<u>0</u>	<u>779,988</u>
Restricted funds				
Yuhua senior activities centre ("SAC")	37,590	44,173	0	81,763
Total funds	<u>1,605,433</u>	<u>(743,682)</u>	<u>0</u>	<u>861,751</u>

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

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

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Net surplus / (deficit)		73,147	(743,682)
Adjustments for:			
- Depreciation	9	59,192	56,004
- Gain on disposal of property, plant and equipment		0	29
- Interest income		<u>(11,303)</u>	<u>(3,422)</u>
Operating cash flow before changes in working capital		121,036	(691,071)
Changes in working capital			
- Other receivables		(19,707)	10,315
- Other payables		12,349	28,603
- Deferred income		<u>225,547</u>	<u>(171,775)</u>
Cash generated from / (used in) operations		339,225	(823,928)
Interest received		<u>1,007</u>	<u>2,526</u>
Net cash generated from / (used in) operating activities		<u>340,232</u>	<u>(821,402)</u>
Cash flows from investing activities			
Placement of fixed deposits with maturity exceeding 3 months		(930,000)	(300,000)
Fixed deposit interest received		10,296	896
Purchase of property, plant and equipment	9	<u>(6,340)</u>	<u>(42,666)</u>
Net cash used in investing activities		<u>(926,044)</u>	<u>(341,770)</u>
Net decrease in cash and cash equivalents		(585,812)	(1,163,172)
Cash and cash equivalents at beginning of financial year		<u>921,349</u>	<u>2,084,521</u>
Cash and cash equivalents at end of financial year	7	<u>335,537</u>	<u>921,349</u>
Cash and cash equivalents comprise:			
Cash on hand		1,302	1,369
Cash at bank		332,816	319,232
Fixed deposits		<u>1,231,419</u>	<u>900,748</u>
		1,565,537	1,221,349
Less fixed deposits with maturity exceeding 3 months		<u>(1,230,000)</u>	<u>(300,000)</u>
	7	<u>335,537</u>	<u>921,349</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

1. General information

Loving Heart Multi-Service Centre (the "Centre") was registered under the Societies Act, Chapter 311 on 10 January 2003. The Centre is a charity registered under the Charities Act, Chapter 37 since 26 June 2000. The Centre is granted an Institution of a Public Character ("IPC") status for the period from 1 October 2015 to 31 January 2018 and renewed for period from 1 February 2018 to 31 October 2019.

The Centre's registered office and principal place of operation is at Block 210 Jurong East Street 21, #01-389, Singapore 600210.

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

The principal activities of the Centre are to provide meal and food ration delivery services, community mediation services, medical escort services, counselling services, family education, Job match @ Yuhua, E-booking and solemnization of marriages, Silverheart @ Yuhua, Network with grassroots organisations, enhances information and referral and silverheart wellness centre to families, elderly residents and any person who needs help there have no significant change in the nature of these activities during the financial year.

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Centre's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

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

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

Interpretations and amendments to published standards effective in 2017

On 01 April 2017, the Centre adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial period. Changes to the Centre's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Centre and had no material effect on the amounts reported for the current financial period.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

New or amended Standards and Interpretations effective after 1 April 2017

The Centre has not adopted the following standards that have been issued but not yet effective:

Descriptions	Annual periods commencing on
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: <ul style="list-style-type: none">- FRS 102 Classification and Measurement of Share-based Payment Transactions- FRS 40 Transfers of Investment Property- FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases <ul style="list-style-type: none">- FRS 109 Prepayment Features with Negative Compensation- FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019

The Management Committee believes that the adoption of the revised standards and interpretations do not have material impact on the financial statements in the period of initial application.

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Centre's activities. Income is recognised as follows:

2.2.1 Donations

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

2.2.2 Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Centre will comply with all attached conditions. Where the grants relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful lives of the relevant asset by equal annual instalments.

Government grants relating to income shall be recognised in the statement of financial activities on systematic basis over the periods in which the Centre recognises as expenses the related costs for which the grants are intended to compensate.

2.2.3 Rendering of services

Revenue from services is recognised in the statement of financial activities when the services are performed.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.4 Interest income

Interest income is recognised on accrual basis using the effective interest method.

2.2.5 Other income

Other income is recognised as income upon receipt.

2.3 Expenditure

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

2.3.1 Cost of generating funds

All cost associated with generating income from all sources other than from undertaking charitable activities are included under cost of generating funds.

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Centre. The total costs of charitable expenses include apportionment of overhead and shared costs.

2.3.3 Governance costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Centre, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4 Property, plant and equipment

2.4.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment

2.4.2 Depreciation

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

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

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

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in statement of financial activities when incurred.

2.4.4 Disposal

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

2.5 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2. Significant accounting policies (Cont'd)

2.5 Impairment of non-financial assets (Cont'd)

A reversal of impairment loss for an asset other than goodwill is recognised in statement of financial activities, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revalued increase.

2.6 Financial assets

2.6.1 Classification

The Centre classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "other receivables" and "cash and cash equivalents" on the statement of financial position.

2.6.2 Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Centre has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in statement of financial activities.

2.6.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.6.4 Impairment

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.4 Impairment (Cont'd)

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions that are subject to an insignificant risk of change in value. Fixed deposits that have short maturities of three months or less from the date of acquisition are reported as cash and cash equivalents.

2.8 Financial liabilities

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

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

2.9 Other payables

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

2.10 Provisions for other liabilities and charges

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

2.11 Operating leases

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

Rental on operating lease is charged to the statement of financial activities. Contingent rents are recognised as an expense in the statement of financial activities in the financial year in which they are incurred.

2. Significant accounting policies (Cont'd)

2.12 Employee benefits

Defined contribution plans

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

Employee leaves entitlement

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.

2.13 Funds

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

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Centre makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

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

4. Tax deductible donations

Tax deductible receipts issued by the Centre for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

	2018 S\$	2017 S\$
<u>Statement of financial activities</u>		
Donation - Tax exempt	<u>2,925</u>	<u>4,827</u>

5. Staff costs

Included in the expenses expended are the following staff costs:

	Note	2018 S\$	2017 S\$
CPF and SDF contributions		32,493	29,195
Salaries and related costs		<u>286,904</u>	<u>249,910</u>
	6	<u>319,397</u>	<u>279,105</u>

None of the staff received more than S\$100,000 in annual remuneration.

6. Support costs

The support costs were allocated as follows:

	Generating funds S\$	Charitable Activities S\$	Governance Costs S\$	Total S\$	Basis of Apportionment
2018					
Depreciation	33,866	12,865	12,461	59,192	Usage
Staff costs					
- CPF, SDL contribution	5,806	17,756	8,931	32,493	Time spent
- Salaries and bonus	<u>47,588</u>	<u>167,781</u>	<u>71,535</u>	<u>286,904</u>	Time spent
	53,394	185,537	80,466	319,397	
Rental of premises	22,409	0	5,602	28,011	Space occupied
Utilities	8,457	0	2,115	10,572	Space occupied
2017					
Depreciation	32,536	12,865	10,603	56,004	Usage
Staff costs					
- CPF, SDL contribution	4,681	16,401	8,113	29,195	Time spent
- Salaries and bonus	<u>38,235</u>	<u>150,289</u>	<u>61,386</u>	<u>249,910</u>	Time spent
	42,916	166,690	69,499	279,105	
Rental of premises	21,982	0	5,496	27,478	Space occupied
Utilities	8,444	0	2,111	10,555	Space occupied

7. Cash and bank balances

	2018 S\$	2017 S\$
Cash on hand	1,302	1,369
Cash at bank	332,816	319,232
Fixed deposit	<u>1,231,419</u>	<u>900,748</u>
	<u>1,565,537</u>	<u>1,221,349</u>

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2018 S\$	2017 S\$
Cash on hand	1,302	1,369
Cash at bank	332,816	319,232
Fixed deposit	<u>1,231,419</u>	<u>900,748</u>
	1,565,537	1,221,349
Less: fixed deposits with maturity exceeding 3 months	<u>(1,230,000)</u>	<u>(300,000)</u>
	<u>335,537</u>	<u>921,349</u>

Fixed deposits at the reporting date had maturity dates ranging from 4 month to 9 months as at 31 March 2018 (2017: 1 month to 6 months) and had a weighted average effective interest rate of 0.85% per annum (2017:0.10% per annum).

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

8. Other receivables

	Note	2018 S\$	2017 S\$
Grant receivables			
- Consultancy Grant	12	6,904	0
- Shared Service Grant	12	2,043	0
- Medical escort - MOH		9,967	717
- Medical escort - SWCDC		<u>4,346</u>	<u>3,695</u>
		23,260	4,412
Other receivables			
- Deposit		3,856	4,389
- Prepayment		2,746	1,991
- Sundry receivables		<u>977</u>	<u>340</u>
		<u>30,839</u>	<u>11,132</u>

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

9. Property, plant and equipment

	Computer S\$	Equipment S\$	Furniture and fittings S\$	Motor vehicle S\$	Renovation S\$	Total S\$
2018						
Cost						
Beginning of financial year	9,650	23,364	18,625	63,986	190,376	306,001
Additions	6,340	0	0	0	0	6,340
End of financial year	<u>15,990</u>	<u>23,364</u>	<u>18,625</u>	<u>63,986</u>	<u>190,376</u>	<u>312,341</u>
Accumulated depreciation						
Beginning of financial year	6,155	14,852	6,042	42,657	51,659	121,365
Depreciation charge	1,681	3,283	3,355	12,797	38,076	59,192
End of financial year	<u>7,836</u>	<u>18,135</u>	<u>9,397</u>	<u>55,454</u>	<u>89,735</u>	<u>180,557</u>
Carrying amount	<u>8,154</u>	<u>5,229</u>	<u>9,228</u>	<u>8,532</u>	<u>100,641</u>	<u>131,784</u>
	Computer S\$	Equipment S\$	Furniture and fittings S\$	Motor vehicle S\$	Renovation S\$	Total S\$
2017						
Cost						
Beginning of financial year	9,119	19,583	24,605	63,986	146,743	264,036
Additions	0	5,013	0	0	37,653	42,666
Reclassification	699	(699)	(5,980)	0	5,980	0
Written off	(168)	(533)	0	0	0	(701)
End of financial year	<u>9,650</u>	<u>23,364</u>	<u>18,625</u>	<u>63,986</u>	<u>190,376</u>	<u>306,001</u>
Accumulated depreciation						
Beginning of financial year	4,601	12,829	2,985	29,860	15,758	66,033
Depreciation charge	1,023	3,226	3,755	12,797	35,203	56,004
Reclassification	699	(699)	(698)	0	698	0
Written off	(168)	(504)	0	0	0	(672)
End of financial year	<u>6,155</u>	<u>14,852</u>	<u>6,042</u>	<u>42,657</u>	<u>51,659</u>	<u>121,365</u>
Carrying amount	<u>3,495</u>	<u>8,512</u>	<u>12,583</u>	<u>21,329</u>	<u>138,717</u>	<u>184,636</u>

10. Other payables

	2018 S\$	2017 S\$
Accruals	41,289	28,813
Provision for unutilised leave	3,124	3,865
Sundry payables	<u>11,620</u>	<u>11,006</u>
	<u>56,033</u>	<u>43,684</u>

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

11. Deferred capital grants

	Note	Care and Share S\$	Cyclical Maintenance S\$	Haze Funding S\$	VCF-ICT S\$	Total S\$
2018						
Beginning of the year		123,861	29,510	1,474	0	154,845
Transfer from grant received in advance	12	3,434	0	0	2,047	5,481
Amortisation		(32,130)	(11,228)	(931)	(341)	(44,630)
End of the year		95,165	18,282	543	1,706	115,696
2017						
Beginning of the year		115,635	40,738	2,405	0	158,778
Transfer from grant received in advance	12	37,718	0	0	0	37,718
Amortisation		(29,492)	(11,228)	(931)	0	(41,651)
End of the year		123,861	29,510	1,474	0	154,845

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

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

12. Grants received in advance

	Note	Consultancy Grant S\$	Shared Service Grant S\$	Care and Share S\$	Community Silver Trust S\$	VCF-ICT S\$	Total S\$
2018							
Beginning of the year		7,019	(78)	349,896	0	0	356,837
Grants received		0	2,172	0	500,000	2,227	504,399
Transfer to deferred capital grants	11	0	0	(3,434)	0	(2,047)	(5,481)
Grants receivables	8	6,904	2,043	0	0	0	8,947
Disbursement		(13,923)	(4,137)	(224,929)	0	(180)	(243,169)
End of the year		0	0	121,533	500,000	0	621,533
2017							
Beginning of the year		0	0	524,679	0	0	524,679
Grants received		11,128	2,172	1,093,578	0	0	1,106,878
Transfer to deferred capital grants	11	0	0	(37,718)	0	0	(37,718)
Disbursement		(4,109)	(2,250)	(1,230,643)	0	0	(1,237,002)
End of the year		7,019	(78)	349,896	0	0	356,837

In prior financial year, MSF approved the use of care and share fund for certain expenditure incurred in prior years. Management has therefore transferred the approved amount to general fund.

13. Unrestricted fund

General fund

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

Designated fund

Fund raising Fund

In prior financial year, the Centre ran a fund raising activity to raise funds for building of a kidney dialysis centre in Yuhua. The kidney dialysis centre will be managed and run by The National Kidney Foundation.

Movement of the designated funds are as follows:

	2018	2017
	S\$	S\$
2018		
At beginning of the financial year	510,339	1,360,339
Transfer to general funds	(900)	(850,000)
At end of the financial year	<u>509,439</u>	<u>510,339</u>

14. Restricted funds

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

Restricted funds comprise:

Care and Share Matching Fund

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

Consultancy Fund

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

Medical Escort Fund

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

Shared Service Fund

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

14. Restricted funds (Cont'd)

Yuhua Senior Activities Centre ("SAC") Fund

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

Other grants

Other grants comprise:

i. Community Care Training

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

ii. Share as One

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

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

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

15. Related party transactions

a. Related party transaction

There are no significant related party transactions during the financial year.

In the prior financial year, the Centre provided sponsorship totalling S\$350,000 through a collaboration agreement with a related party, who the director of the company is member of management committee of the Centre. The sponsorship is for the establishment of a social enterprise.

b. Key management personnel

The remuneration of key management personnel is determined by the Management Committee. The annual remuneration of key management personnel are classified as follows:

	2018 S\$	2017 S\$
Staff salaries & bonus	129,039	106,174
Employer's CPF contribution	15,352	13,803
	<u>144,391</u>	<u>119,977</u>

None of the key management personnel received more than S\$100,000 in annual remuneration.

Members of the Management Committee are volunteers and receive no monetary remuneration

for their contribution.

16. Operating lease commitments

As at the reporting date, the Centre has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2018 S\$	2017 S\$
Not later than one year	2,142	2,286
Later than one year but not later than five years	10,210	952
	12,352	3,238

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

17. Reserve position and policy

The Centre's reserve position for financial year ended 31 March 2018 is as follows:

		2018	2017	Increase/ (decrease)
		S\$'000	S\$'000	Percentage
A	Unrestricted Funds			
	Accumulated general funds	299	270	11%
	Designated Funds	510	510	0%
B	Restricted or Designated Funds			
	Restricted Funds	127	82	55%
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	936	862	9%
E	Total Annual Operating Expenditure	547	1,355	(60%)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.48	0.58	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration expenses.

The Centre treats the balance of the unrestricted fund as reserve to ensure the sustainability of the programmes and activities. The Committee will review the amount annually to decide the need to raise funds.

18. Financial instruments

The financial assets and liabilities of the Centre as at the financial year-end are as follows:

	2018 S\$	2017 S\$
Financial assets		
Cash and bank balances	1,565,537	1,221,349
Other receivables	28,093	9,141
	<u>1,593,630</u>	<u>1,230,490</u>
Financial liabilities		
Other payables	<u>56,033</u>	<u>43,684</u>

19. Financial risk management

The Centre's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis.

Liquidity risk

Liquidity risk reflects the risk that the Centre will have insufficient resources to meet its financial liabilities as and when they fall due.

The Centre manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Management Committee to fund the Centre's activities. It places its cash with creditworthy institutions.

The table below summarises the profile of the Centre's financial liabilities at the reporting date based on contractual undiscounted payments.

	2018 S\$	2017 S\$
Payable within one year		
<u>Financial liabilities</u>		
Other payables	<u>56,033</u>	<u>43,684</u>

Fair value

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Centre approximate to fair value due to short term in mature.

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the management committee of the Centre on