

**LIFE COMMUNITY SERVICES SOCIETY**  
(ROS RefNo. UENS96SS0100H)

**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**31 MARCH 2014**

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**BAKER TILLY**  
**TFW**

Baker Tilly TFW LLP  
Chartered Accountants of Singapore

An independent member of Baker Tilly International

**LIFE COMMUNITY SERVICES SOCIETY**  
(Registered in Singapore under the Societies Act)

**STATEMENT BY EXECUTIVE COUNCIL**

On behalf of the Executive Council, we do hereby state that in our opinion, the financial statements of Life Community Services Society (the “Society”), as set out on pages 4 to 18 are properly drawn up in accordance with the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects the state of affairs of the Society as at 31 March 2014, and of its income and expenditure, changes in funds and cash flows for the financial year ended on that date.

On behalf of the Executive Council,



Goh Kng Yan  
Chairman



Seow Kiat Wang  
Honorary Treasurer

26 June 2014



**BAKER TILLY  
TFW**

Baker Tilly TFW LLP  
Chartered Accountants of Singapore  
15 Beach Road #03-10 Beach Centre  
Singapore 189677

T: +65 6336 2828  
F: +65 6339 0438

[www.bakertillytfw.com](http://www.bakertillytfw.com)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LIFE COMMUNITY SERVICES SOCIETY**  
(Registered in Singapore under the Societies Act)

**Report on the Financial Statements**

We have audited the accompanying financial statements of Life Community Services Society (the "Society") as set out on pages 4 to 18, which comprise the balance sheet as at 31 March 2014, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

*Executive Council's Responsibility for the Financial Statements*

The Society's Executive Council is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Singapore Charities Act (the "Charities Act") and Singapore Financial Reporting Standards, 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.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements of the Society are properly drawn up in accordance with the Societies Act, the Charities Act and Singapore Financial Reporting Standards, so as to present fairly, in all material respects the state of affairs of the Society as at 31 March 2014, and the income and expenditure, changes in funds and cash flows of the Society for the financial year ended on that date.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LIFE COMMUNITY SERVICES SOCIETY (cont'd)**  
(Registered in Singapore under the Societies Act)


**Report on Other Legal and Regulatory Requirements**

In our opinion,

- (a) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations; and
- (b) the fund-raising appeal held during the financial year ended 31 March 2014 has been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act Cap. 311 and proper accounts and other records have been kept of the fund-raising appeal.

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

- (a) The use of the donation moneys was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

26 June 2014

**LIFE COMMUNITY SERVICES SOCIETY**  
(Registered in Singapore under the Societies Act)

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 March 2014**

	Unrestricted	Designated	Total	
	Income	Funds	2014	2013
Note	Fund	Funds	2014	2013
	\$	\$	\$	\$
<b>Income</b>				
	243,167	–	243,167	181,443
	420	272,957	273,377	160,545
4	767,222	247,159	1,014,381	1,002,936
	942,790	47	942,837	867,050
	–	–	–	64,369
	15,186	–	15,186	12,789
9	43,212	–	43,212	33,494
	65,777	11,312	77,089	28,480
<b>Total income</b>	<b>2,077,774</b>	<b>531,475</b>	<b>2,609,249</b>	<b>2,351,106</b>
<b>Operating expenses</b>				
5	60,637	37,689	98,326	75,740
	140,164	1,506	141,670	31,047
	–	6,474	6,474	–
	20,609	32,434	53,043	51,836
3	965,919	704,466	1,670,385	1,437,035
	254,013	95,384	349,397	374,131
	1,441,342	877,953	2,319,295	1,969,789
<b>Surplus/(deficit) and total comprehensive income/(loss) for the year</b>	<b>636,432</b>	<b>(346,478)</b>	<b>289,954</b>	<b>381,317</b>

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

**LIFE COMMUNITY SERVICES SOCIETY**  
(Registered in Singapore under the Societies Act)

**BALANCE SHEET**  
At 31 March 2014

	Note	2014 \$	2013 \$
<b>Non-current assets</b>			
Property, plant and equipment	5	215,304	178,991
<b>Current assets</b>			
Available-for-sale financial assets	6	210,387	210,387
Sundry receivables	7	238,789	242,140
Fixed deposits	8	2,222,423	2,008,958
Cash and bank balances		455,763	557,054
		<b>3,127,362</b>	<b>3,018,539</b>
<b>Total assets</b>		<b>3,342,666</b>	<b>3,197,530</b>
<b>Non-current liabilities</b>			
Deferred capital grant	9	38,360	66,990
<b>Current liabilities</b>			
Deferred capital grant	9	38,361	33,494
Trade payables		24,008	–
Sundry payables	10	307,370	452,433
		<b>369,739</b>	<b>485,927</b>
<b>Total liabilities</b>		<b>408,099</b>	<b>552,917</b>
<b>Net assets</b>		<b>2,934,567</b>	<b>2,644,613</b>
<b>Funds</b>			
Unrestricted Income Fund	11	2,897,678	2,261,246
Friends of Children Fund	12	(57,164)	234,662
Friends of Youth Fund	12	65,781	129,627
Life Student Care Benevolent Fund	12	12,044	1,444
MightyKids Families & Community Fund	12	16,228	17,634
		<b>2,934,567</b>	<b>2,644,613</b>

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

**LIFE COMMUNITY SERVICES SOCIETY**  
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**STATEMENT OF CHANGES IN FUNDS**  
**For the financial year ended 31 March 2014**

	← Designated Funds →					Total \$
	Unrestricted Income Fund \$	Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$	
Balance at 1 April 2012	1,647,274	437,565	155,380	—	23,077	2,263,296
Surplus and total comprehensive income/(loss) for the year	613,972	(202,903)	(25,753)	1,444	(5,443)	381,317
Balance at 31 March 2013	2,261,246	234,662	129,627	1,444	17,634	2,644,613
Surplus and total comprehensive income/(loss) for the year	636,432	(291,826)	(63,846)	10,600	(1,406)	289,954
Balance at 31 March 2014	<b>2,897,678</b>	<b>(57,164)</b>	<b>65,781</b>	<b>12,044</b>	<b>16,228</b>	<b>2,934,567</b>

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

**LIFE COMMUNITY SERVICES SOCIETY**  
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**STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 March 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Surplus for the financial year	<b>289,954</b>	381,317
Adjustments for:		
Amortisation of capital grant	<b>(43,212)</b>	(33,494)
Depreciation of property, plant and equipment	<b>98,326</b>	75,740
Loss on property, plant and equipment written off	<b>6,474</b>	–
Interest income	<b>(15,186)</b>	(12,789)
<b>Operating surplus before movements in working capital</b>	<b>336,356</b>	410,774
Receivables	<b>3,351</b>	(197,115)
Payables	<b>(121,055)</b>	256,160
<b>Net cash generated from operating activities</b>	<b>218,652</b>	469,819
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(141,113)</b>	(27,374)
Interest received	<b>15,186</b>	12,789
Capital grant received for property, plant and equipment	<b>19,449</b>	–
<b>Net cash used in investing activities</b>	<b>(106,478)</b>	(14,585)
<b>Net increase in cash and cash equivalents</b>	<b>112,174</b>	455,234
<b>Cash and cash equivalents at beginning of financial year</b>	<b>2,566,012</b>	2,110,778
<b>Cash and cash equivalents at end of financial year</b>	<b>2,678,186</b>	2,566,012
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits	<b>2,222,423</b>	2,008,958
Cash and bank balances	<b>455,763</b>	557,054
	<b>2,678,186</b>	2,566,012

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



**LIFE COMMUNITY SERVICES SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 March 2014**

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

**1 Corporate information**

Life Community Services Society (“the Society”) is registered and domiciled in Singapore. The Society is a registered Charity under the Charities Act since 22 January 2002. The Society has been granted Institution of Public Character status for certain of its programs. The principal place of activities is at 5 Stadium Walk #04-04/07, Kallang Leisure Park, Singapore 367693.

The principal activities of the Society are:

- a) to provide comprehensive remedial, preventive and development services for individuals and families facing or encountering crisis and conflicts;
- b) to provide advice, counselling services, guidance and assistance to students in the areas of education and career development, crisis management, lifestyle management and other related issues or problems by way of school visitation, counselling, workshops, seminars, forums and camps;
- c) to provide grants or participate in providing or granting relief and aid to the sick, poor and needy; and
- d) to promote education and participation in schemes calculated to promote education.

**2 Significant accounting policies**

**a) Basis of preparation**

The financial statements, expressed in Singapore dollars which is the Society’s functional currency, have been prepared in accordance with the provisions of the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments and estimates made during the year.

The carrying amounts of cash and bank balances, fixed deposits, trade and sundry receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

## 2 Significant accounting policies (cont'd)

### a) Basis of preparation (cont'd)

In the current financial year, the Society has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS has no material effect on the financial statements.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 March 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

### b) Income and expenditure recognition

- i) Fee income from student care is recognised over the duration of the programmes.
- ii) Income from donations are recognised on receipt basis.
- iii) Grant income is recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.
- iv) Interest income is recognised on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.
- v) Donation income that is specified by donors for a particular activity will be fully allocated to the activity.
- vi) Expenses that are incurred wholly for a particular activity will be fully allocated to the activity.
- vii) Common income earned and expenses incurred among the 4 student care centres, Friends of Children, Friends of Youth and MightyKids, Families & Community programmes are apportioned accordingly based on the basis determined by management.

### c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss.

Property, plant and equipment are depreciated on a straight line basis so as to write off the cost of the assets over their estimated economic lives at the following annual rates:

	%
Office equipment	20
Furniture and fittings	20
Computer	20
Renovation	20
Motor vehicle	20
Musical instrument	20

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

## 2 Significant accounting policies (cont'd)

### d) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

### e) Income tax

The Society is a registered charity under the Charities Act and is exempted from income tax under the Income Tax Act.

### f) Employee benefits

#### *Defined contribution plans*

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. The Society's contributions to CPF are charged to profit or loss in the period in which the contributions relate.

#### *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up the balance sheet date.

### g) Financial assets

The Company's only financial assets are "available-for-sale financial assets" and "loans and receivables" which comprise trade and sundry receivables (excluding prepayments), fixed deposits and cash and bank balances.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are initially measured at fair value plus transaction costs, and are subsequently measured at fair value.

Any gains and losses arising from changes in fair value are recognised directly as other comprehensive income and accumulated in fair value reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is taken to profit or loss. The fair value of quoted investments is based on current bid prices. For investments where there is no active market, the fair value is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies and discounted cash flow analysis.

## **2 Significant accounting policies (cont'd)**

### **g) Financial assets (cont'd)**

#### *Available-for-sale financial assets (cont'd)*

The Society assesses at each balance sheet date whether there is objective evidence that an investment is impaired. In the case of investment classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

On disposal of the financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

#### *Loans and receivables*

Loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

### **h) Financial liabilities**

Financial liabilities, which comprise trade and sundry payables (excluding funding received in advance) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

### **i) Provisions**

Provisions are recognised when the Society has a legal or constructive obligation as a result of a past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

**2 Significant accounting policies (cont'd)**

**k) Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

**l) Funds**

Income and expenditure relating to the various specific funds specifically set up are taken directly to these funds. All other income and expenditure are reflected in profit or loss in Unrestricted Income Fund.

Unless specifically indicated, fund balances are not represented by any specific assets but are represented by all assets of the Society.

**3 Staff costs**

	2014 \$	2013 \$
Salaries and bonuses	1,444,808	1,257,261
CPF and other contributions	189,024	157,129
Others	36,553	22,645
	<u>1,670,385</u>	<u>1,437,035</u>

Included in staff costs is an amount of \$146,545 (2013: \$142,350) and \$12,858 (2013: \$8,735) for remuneration and CPF contributions paid to key management personnel.

	2014	2013
<u>Key Management Remuneration</u>		
Number of staff in the following remuneration band:		
\$100,001 to \$150,000	—	1
	<u>—</u>	<u>1</u>

**4 Tax deductible receipts**

The Society issued tax deductible receipts for donations received during the year amounting to \$618,984 (2013: \$854,917). This includes the funding received in advance at year-end of \$54,230 (2013: \$144,660).

**5 Property, plant and equipment**

	Office equipment \$	Furniture and fittings \$	Computer \$	Renovation \$	Motor vehicle \$	Musical instruments \$	Total \$
<b>2014</b>							
<b>Cost</b>							
At 1.4.2013	87,338	119,077	28,452	868,883	48,713	1,848	1,154,311
Additions	16,098	20,527	1,387	103,101	–	–	141,113
Write-off	(7,528)	(5,595)	(16,107)	(25,431)	–	–	(54,661)
At 31.3.2014	<b>95,908</b>	<b>134,009</b>	<b>13,732</b>	<b>946,553</b>	<b>48,713</b>	<b>1,848</b>	<b>1,240,763</b>
<b>Accumulated depreciation</b>							
At 1.4.2013	70,388	102,596	24,624	727,521	48,713	1,478	975,320
Depreciation charge	11,672	11,175	2,426	72,683	–	370	98,326
Write-off	(7,217)	(5,127)	(16,107)	(19,736)	–	–	(48,187)
At 31.3.2014	<b>74,843</b>	<b>108,644</b>	<b>10,943</b>	<b>780,468</b>	<b>48,713</b>	<b>1,848</b>	<b>1,025,459</b>
<b>Net carrying value</b>							
At 31.3.2014	<b>21,065</b>	<b>25,365</b>	<b>2,789</b>	<b>166,085</b>	<b>–</b>	<b>–</b>	<b>215,304</b>
<b>2013</b>							
<b>Cost</b>							
At 1.4.2012	85,352	112,756	27,122	851,146	48,713	1,848	1,126,937
Additions	1,986	6,321	1,330	17,737	–	–	27,374
At 31.3.2013	87,338	119,077	28,452	868,883	48,713	1,848	1,154,311
<b>Accumulated depreciation</b>							
At 1.4.2012	60,999	95,359	22,476	670,925	48,713	1,108	899,580
Depreciation charge	9,389	7,237	2,148	56,596	–	370	75,740
At 31.3.2013	70,388	102,596	24,624	727,521	48,713	1,478	975,320
<b>Net carrying value</b>							
At 31.3.2013	16,950	16,481	3,828	141,362	–	370	178,991

**6 Available-for-sale financial assets**

This represents investments in various investment funds which are carried at fair values. The fair value of these investment funds are based on market indicative prices on the last day of financial year.

**7 Sundry receivables**

	2014 \$	2013 \$
Funding and donation receivable	120,000	203,600
Fees receivables	6,462	27,209
Sundry deposits	23,182	9,486
Prepayments	1,700	1,845
Run for Life expenses paid in advance	87,445	-
	<u>238,789</u>	<u>242,140</u>

**8 Fixed deposits**

The fixed deposits bear interest at rates ranging from 0.2% to 1.4% (2013: 0.25% to 1.60%) per annum with maturity period ranging from 1 to 6 months (2013: 1 to 18 months) after the balance sheet date.

**9 Deferred capital grant**

Capital grants were received from Ministry of Social and Family Development for the purposes of funding the costs of cyclical maintenance, conversion costs and for furnishing and equipping student care centres. The grant agreements require the Society to operate the said student care centres for a minimum of 5 years from the date of the grant and the funding received will have to be refunded proportionately if the centres are operated for less than five years. The capital grant is deferred and amortised as income over a period of five years.

	2014 \$	2013 \$
Grant received	186,921	167,472
Less: Accumulated amortisation	(110,200)	(66,988)
Balance as at 31 March 2014	<u>76,721</u>	<u>100,484</u>
Representing:		
Within 1 year - current	38,361	33,494
Within 2 to 5 years - non-current	38,360	66,990
	<u>76,721</u>	<u>100,484</u>

**10 Sundry payables**

	2014 \$	2013 \$
GST payable	20,005	17,043
Funding received in advance	56,250	56,250
Overfunding from CDC	3,497	9,295
Advance fees received	5,048	2,777
Run for Life donations received in advance	54,230	133,329
Student care deposits	90,317	80,562
Accrued operating expenses	77,758	145,607
Other payables	265	7,570
	<u>307,370</u>	<u>452,433</u>

**11 Unrestricted Income Fund**

	2014 \$	2013 \$
Balance as at 1 April	2,261,246	1,647,274
Surplus for the year	636,432	613,972
Balance as at 31 March	<u>2,897,678</u>	<u>2,261,246</u>

These are funds generated from the operation of Student Care Services and general donations received for the work of the Society.

**12 Designated Funds**

	Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$	Total \$
<b>2014</b>					
Balance as at 1 April 2013	234,662	129,627	1,444	17,634	383,367
Government subvention	115,694	49,583	–	107,680	272,957
Donations and funding	158,587	33,110	10,600	44,862	247,159
Miscellaneous income	11,006	–	–	353	11,359
Expenditure	(577,113)	(146,539)	–	(154,301)	(877,953)
(Deficit)/surplus for the year	(291,826)	(63,846)	10,600	(1,406)	(346,478)
Balance as at 31 March 2014	<u>(57,164)</u>	<u>65,781</u>	<u>12,044</u>	<u>16,228</u>	<u>36,889</u>
<b>2013</b>					
Balance as at 1 April 2012	437,565	155,380	–	23,077	616,022
Government subvention	109,850	46,827	–	268	156,945
Donations and funding	217,202	47,077	13,230	87,935	365,444
Miscellaneous income	2,081	–	–	682	2,763
Expenditure	(532,036)	(119,657)	(11,786)	(94,328)	(757,807)
Surplus/(deficit) for the year	(202,903)	(25,753)	1,444	(5,443)	(232,655)
Balance as at 31 March 2013	<u>234,662</u>	<u>129,627</u>	<u>1,444</u>	<u>17,634</u>	<u>383,367</u>

The purpose of Friends of Children Fund is to provide care and support for children (7 - 13 years old) whose parent is incarcerated.

The purpose of Friends of Youth Fund is to befriend and mentor youths (12 – 19 years old) whose parent is incarcerated.

The purpose of Life Student Care Benevolent Fund is to render assistance to needy students in cash or in kind.

The purpose of MightyKids Families and Community Fund is to affirm and nurture community kids to live an empowered life.



**13 Operating lease commitment**

At the balance sheet date, the Society has commitments in relation to non-cancellable operating lease contracted for rental of office equipment and premises but not recognised as liabilities, are payable as follows:

	<b>2014</b>	2013
	\$	\$
Not later than one financial year	<b>56,854</b>	27,237
Later than one financial year but not later than five financial years	<b>211,410</b>	42,854
	<hr/>	<hr/>

**14 Related party transactions**

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Society and related parties during the financial year on terms agreed by the parties concerned:

	<b>2014</b>	2013
	\$	\$
<b>With a related party</b>		
Storage expense	<b>9,600</b>	9,600
Other fees paid	<b>1,200</b>	1,200
Tax deductible donations received	<b>35,000</b>	38,752
	<hr/>	<hr/>
<b>With members of the Executive Council</b>		
Tax deductible donations received	<b>350</b>	3,446
	<hr/>	<hr/>

Related party refers to a company in which a member of the Society's Executive Council is a key management personnel.

**15 Financial instruments****a) Categories of financial instruments**

Financial instruments as at balance sheet date are as follows:

	<b>2014</b>	2013
	\$	\$
<b>Financial assets</b>		
Available-for-sale financial assets	<b>210,387</b>	210,387
Loan and receivables (including fixed deposits and cash and bank balances)	<b>2,827,830</b>	2,806,306
	<hr/>	<hr/>
Total financial assets	<b>3,038,217</b>	3,016,693
	<hr/>	<hr/>
<b>Financial liabilities</b>		
At amortised cost	<b>215,850</b>	260,076
	<hr/>	<hr/>

**b) Financial risk management**

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

*Foreign exchange risk*

The Society has no significant foreign currency exposure as majority of its transactions were carried out in local currency and the Society has no significant assets or liabilities denominated in foreign currencies.

**15 Financial instruments (cont'd)**

**b) Financial risk management (cont'd)**

*Interest rate risk*

The Society's exposure to interest rates relates primarily to the impact of changes in interest rates on its fixed deposit and bank balances with financial institutions which are minimal.

Sensitivity analysis for interest rate risk is not disclosed as the effect on profit or loss is considered not significant.

*Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Society is exposed to price risk arising from its investment in various quoted funds. These instruments are classified as available-for-sale financial assets. To manage its price risk arising from investments in funds, the Society diversifies its portfolio in accordance with the limits set by the Society.

Sensitivity analysis for market price risk is not disclosed as the effect on profit or loss is considered not significant.

*Credit risk*

The Society's exposure to credit risk arises from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Society, as and when they fall due. The Society manages this risk by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

As at balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Financial assets that are neither past due nor impaired

The Society places its cash with banks and financial institutions which are regulated.

Trade receivables that are neither past due nor impaired are substantially entities with a good collection track record with the Society.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The aged analysis of trade receivables past due but not impaired is as follows:

	2014	2013
	\$	\$
Past due less than 30 days	20	-
Past due 30 to 60 days	5,210	-
	5,230	-
	5,230	-

The Society has no financial assets that are impaired.

## **15 Financial instruments (cont'd)**

### **b) Financial risk management (cont'd)**

#### *Liquidity and cash flow risk*

The Executive Council exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

## **16 Fair value of financial instruments**

### **(a) Fair value measurements of financial instruments that are carried at fair value**

The Society has no financial assets and financial liabilities carried at fair value on the balance sheet except for the available-for-sale financial assets. The fair values of the Society's available-for-sale financial assets are determined based on the market indicative prices on the last market day of the financial year which is a Level 1 fair value hierarchy measurement basis.

The fair value hierarchy have the following levels:

- i) Level 1 – Quoted prices (unadjusted) inactive markets for identical assets or liabilities;
- ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **(b) Fair value of financial instruments that are not carried at fair value**

The carrying amounts of these financial assets and financial liabilities recorded in the financial statements of the Society approximate their fair values.

## **17 Fund management**

The Society's funds are managed so as to maintain adequate working capital for the development of its principal activities over the longer term. These objectives remained unchanged from previous financial year.

## **18 Authorisation of financial statements**

The financial statements of the Society for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Executive Council dated 26 June 2014.

**LIFE COMMUNITY SERVICES SOCIETY**  
(Registered in Singapore under the Societies Act)

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**  
For the financial year ended 31 March 2014

	← Designated Funds →					Total	
	Unrestricted Income Fund \$	Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$		
<b>Income</b>							
Student care fee assistance	243,167	-	-	-	-	243,167	181,443
Government subvention	420	115,694	49,583	-	107,680	273,377	160,545
Donations and funding	767,222	158,587	33,110	10,600	44,862	1,014,381	1,002,936
Programme fees	942,790	-	-	-	47	942,837	867,050
Noah's Ark Fund							
Raising	-	-	-	-	-	-	64,369
Interest income	15,186	-	-	-	-	15,186	12,789
Amortisation of capital grant	43,212	-	-	-	-	43,212	33,494
Wages credit, special employment and others	65,777	11,006	-	-	306	77,089	28,480
<b>Total income</b>	2,077,774	285,287	82,693	10,600	152,895	2,609,249	2,351,106
<b>Less operating expenses (see page 20)</b>	1,441,342	577,113	146,539	-	154,301	2,319,295	1,969,789
<b>Net surplus/(deficit)</b>	636,432	(291,826)	(63,846)	10,600	(1,406)	289,954	381,317

(The detailed statement of income and expenditure does not form part of the audited financial statements)