

LIFE COMMUNITY SERVICES SOCIETY
(ROS Ref No. UENS96SS0100H)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2015

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BAKER TILLY
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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)

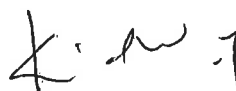
STATEMENT BY EXECUTIVE COUNCIL

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 19 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 2015, and of the 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

22 June 2015



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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 19, which comprise the balance sheet as at 31 March 2015, 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 2015, 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 2015 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

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

22 June 2015

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2015

	Note	Unrestricted Income Fund \$	Deferred Capital Fund \$	Restricted Funds \$	Total 2015 \$	2014 \$
Income						
Student care fee assistance		264,762	—	—	264,762	243,167
Government subvention		2,212	—	538,738	540,950	273,377
Donations and funding	4	996,100	—	272,176	1,268,276	1,014,381
Programme fees		1,078,418	—	83	1,078,501	942,837
Interest income		21,735	—	—	21,735	15,186
Amortisation of capital grant	9	38,360	—	—	38,360	43,212
Wages credit, special employment credit and others		75,361	—	25,193	100,554	77,089
Total income		2,476,948	—	836,190	3,313,138	2,609,249
Operating expenses						
Depreciation	5	60,356	—	42,841	103,197	98,326
Amortisation of deferred capital fund		—	46,851	(46,851)	—	—
Fund raising expenses		218,377	—	12,475	230,852	141,670
Loss on property, plant and equipment written off		—	—	—	—	6,474
Rental expenses		48,811	—	32,571	81,382	53,043
Staff costs	3	1,098,265	—	744,195	1,842,460	1,670,385
Other operating expenses		245,089	—	143,239	388,328	349,397
		1,670,898	46,851	928,470	2,646,219	2,319,295
Surplus/(deficit) and total comprehensive income/(loss) for the year		806,050	(46,851)	(92,280)	666,919	289,954

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 2015

	Note	2015 \$	2014 \$
Non-current asset			
Property, plant and equipment	5	279,885	215,304
Current assets			
Available-for-sale financial assets	6	210,387	210,387
Sundry receivables	7	305,169	238,789
Fixed deposits	8	2,325,548	2,222,423
Cash and bank balances		878,751	455,763
		3,719,855	3,127,362
Total assets		3,999,740	3,342,666
Non-current liability			
Deferred capital grant	9	9,723	38,360
Current liabilities			
Deferred capital grant	9	28,638	38,361
Trade payables		–	24,008
Sundry payables	10	359,893	307,370
		388,531	369,739
Total liabilities		398,254	408,099
Net assets		3,601,486	2,934,567
Funds			
Unrestricted Income Fund	11	3,428,326	2,897,678
<i>Restricted Funds</i>			
- Deferred Capital Fund	12	153,897	–
- Friends of Children Fund	13	–	(57,164)
- Friends of Youth Fund	13	–	65,781
- Life Student Care Benevolent Fund	13	9,263	12,044
- MightyKids Families & Community Fund	13	–	16,228
- Care & Share Fund	13	10,000	–
		3,601,486	2,934,567

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

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

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 March 2015

	Restricted Funds						Total \$	
	Unrestricted Income Fund \$	Deferred Capital Fund \$	Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$		Care & Share Fund \$
Balance at 1 April 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	2,897,678	-	(57,164)	65,781	12,044	16,228	-	2,934,567
Surplus and total comprehensive income/(loss) for the year	806,050	(46,851)	(90,077)	(79,557)	(2,781)	(130,613)	210,748	666,919
Transfer of fund	(275,402)	200,748	147,241	13,776	-	114,385	(200,748)	-
Balance at 31 March 2015	3,428,326	153,897	-	-	9,263	-	10,000	3,601,486

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

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2015

	2015 \$	2014 \$
Cash flows from operating activities		
Surplus for the financial year	666,919	289,954
Adjustments for:		
Amortisation of capital grant	(38,360)	(43,212)
Depreciation of property, plant and equipment	103,197	98,326
Loss on property, plant and equipment written off	–	6,474
Interest income	(21,735)	(15,186)
Operating surplus before movements in working capital	710,021	336,356
Receivables	(66,380)	3,351
Payables	28,515	(121,055)
Net cash generated from operating activities	672,156	218,652
Cash flow from investing activities		
Purchases of property, plant and equipment	(167,778)	(141,113)
Interest received	21,735	15,186
Capital grant received for property, plant and equipment	–	19,449
Net cash used in investing activities	(146,043)	(106,478)
Net increase in cash and cash equivalents	526,113	112,174
Cash and cash equivalents at beginning of financial year	2,678,186	2,566,012
Cash and cash equivalents at end of financial year	3,204,299	2,678,186
Cash and cash equivalents comprise:		
Fixed deposits	2,325,548	2,222,423
Cash and bank balances	878,751	455,763
	3,204,299	2,678,186

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

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 dollar 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 2015 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
Computers	20
Renovation	20
Motor vehicle	20
Musical instruments	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 profit or loss. 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 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 event, 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.

j) Operating leases

Leases where 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 profit or loss 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.

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

	2015	2014
	\$	\$
Salaries and bonuses	1,590,455	1,444,808
CPF and other contributions	219,126	189,024
Others	32,879	36,553
	1,842,460	1,670,385

Included in staff costs is an amount of \$120,400 (2014: \$146,545) and \$14,641 (2014: \$12,858) for remuneration and CPF contributions paid to key management personnel.

	2015	2014
<u>Key Management Remuneration</u>		
Number of staff in the following remuneration band:		
\$100,001 to \$150,000	1	-
	1	-

4 Tax deductible receipts

The Society issued tax deductible receipts for donations received during the year amounting to \$773,386 (2014: \$618,984). This includes the funding received in advance at year-end of \$15,000 (2014: \$54,230).

5 Property, plant and equipment

	Office equipment \$	Furniture and fittings \$	Computers \$	Renovation \$	Motor vehicle \$	Musical instruments \$	Total \$
2015							
Cost							
At 1.4.2014	95,908	134,009	13,732	946,553	48,713	1,848	1,240,763
Additions	7,645	8,294	1,329	147,920	—	2,590	167,778
Write-off	(8,759)	—	—	—	—	—	(8,759)
At 31.3.2015	94,794	142,303	15,061	1,094,473	48,713	4,438	1,399,782
Accumulated depreciation							
At 1.4.2014	74,843	108,644	10,943	780,468	48,713	1,848	1,025,459
Depreciation charge	10,381	9,137	1,237	82,183	—	259	103,197
Write-off	(8,759)	—	—	—	—	—	(8,759)
At 31.3.2015	76,465	117,781	12,180	862,651	48,713	2,107	1,119,897
Net carrying value							
At 31.3.2015	18,329	24,522	2,881	231,822	—	2,331	279,885
2014							
Cost							
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	95,908	134,009	13,732	946,553	48,713	1,848	1,240,763
Accumulated depreciation							
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	74,843	108,644	10,943	780,468	48,713	1,848	1,025,459
Net carrying value							
At 31.3.2014	21,065	25,365	2,789	166,085	—	—	215,304

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

	2015 \$	2014 \$
Funding and donation receivable	245,000	120,000
Fees receivables	28,130	6,462
Sundry deposits	22,911	23,182
Prepayments	9,128	1,700
Run for Life expenses paid in advance	—	87,445
	305,169	238,789

8 Fixed deposits

The fixed deposits bear interest at rates ranging from 0.70% to 1.55% (2014: 0.20% to 1.40%) per annum with maturity period ranging from 1 to 20 months (2014: 1 to 6 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.

	2015 \$	2014 \$
Grant received	186,921	186,921
Less: Accumulated amortisation	(148,560)	(110,200)
Balance as at 31 March 2015	38,361	76,721
Representing:		
Within 1 year - current	28,638	38,361
Within 2 to 5 years - non-current	9,723	38,360
	38,361	76,721

10 Sundry payables

	2015 \$	2014 \$
Advance interest income	11,537	—
GST payable	20,195	20,005
Funding received in advance	71,250	56,250
Overfunding from CDC	3,457	3,497
Advance fees received	6,373	5,048
Run for Life donations received in advance	—	54,230
Student care deposits	91,097	90,317
Accrued operating expenses	155,186	77,758
Other payables	798	265
	359,893	307,370

11 Unrestricted Income Fund

	2015 \$	2014 \$
Balance as at 1 April	2,897,678	2,261,246
Surplus for the year	806,050	636,432
Transfer to Restricted Funds (Note 13)	(275,402)	-
Balance as at 31 March	<u>3,428,326</u>	<u>2,897,678</u>

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

12 Deferred Capital Fund

	2015 \$	2014 \$
Balance as at 1 April	-	-
Deficit for the year	(46,851)	-
Transfer from Restricted Funds (Note 13)	200,748	-
Balance as at 31 March	<u>153,897</u>	<u>-</u>

Deferred capital fund comprises transfers made from Care & Share Fund. Transfers are made to deferred capital fund when amounts are utilised for the purchase of property, plant and equipment.

13 Restricted Funds

	Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$	Care & Share Fund \$	Total \$
2015						
Balance as at 1 April 2014	(57,164)	65,781	12,044	16,228	-	36,889
Government subvention	117,431	50,327	-	108,931	262,049	538,738
Donations and funding	205,368	53,860	1,650	11,298	-	272,176
Miscellaneous income	16,338	4,178	-	4,760	-	25,276
Expenditure	(429,214)	(187,922)	(4,431)	(255,602)	(51,301)	(928,470)
(Deficit)/surplus for the year	(90,077)	(79,557)	(2,781)	(130,613)	210,748	(92,280)
Transfer to Deferred Capital Fund (Note 12)	-	-	-	-	(200,748)	(200,748)
Transfer from Unrestricted Income Fund (Note 11)	147,241	13,776	-	114,385	-	275,402
Balance as at 31 March 2015	<u>-</u>	<u>-</u>	<u>9,263</u>	<u>-</u>	<u>10,000</u>	<u>19,263</u>
2014						
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>-</u>	<u>36,889</u>

13 Restricted Funds (cont'd)

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 & Community Fund is to affirm and nurture community kids to live an empowered life.

The purpose of Care & Share Fund is to enhance the capacity and capabilities of Life Community Service Centre.

14 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 as follows:

	2015 \$	2014 \$
Not later than one financial year	63,783	56,854
Later than one financial year but not later than five financial years	177,360	211,410
	<hr/>	<hr/>

15 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:

	2015 \$	2014 \$
With related parties		
Storage expense	9,600	9,600
Other fees paid	1,200	1,200
Tax deductible donations received	79,760	35,000
	<hr/>	<hr/>
With members of the Executive Council		
Tax deductible donations received	30,781	350
	<hr/>	<hr/>

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

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

Financial instruments as at balance sheet date are as follows:

	2015 \$	2014 \$
Financial assets		
Available-for-sale financial assets	210,387	210,387
Loan and receivables (including fixed deposits and cash and bank balances)	3,500,340	2,827,830
	<hr/>	<hr/>
Total financial assets	3,710,727	3,038,217
	<hr/>	<hr/>
Financial liabilities		
At amortised cost	270,733	215,850
	<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.

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.

16 Financial instruments (cont'd)**b) Financial risk management (cont'd)***Credit risk (cont'd)*

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.

Sundry 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 sundry receivables.

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

	2015 \$	2014 \$
Past due less than 30 days	8,903	20
Past due 30 to 60 days	7,478	5,210
Past due over 60 days	11,449	—
	27,830	5,230

The Society has no financial assets that are impaired.

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.

17 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 date (unobservable inputs).

17 Fair value of financial instruments (cont'd)

(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.

18 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.

19 Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Executive Council dated 22 June 2015.