

LIFE COMMUNITY SERVICES SOCIETY
(ROS Ref No. UENS96SS0100H)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2017

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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 5 to 24 are properly drawn up in accordance with the Singapore Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects the financial position of the Society as at 31 March 2017, and of the financial performance, changes in funds and cash flows for the financial year ended on that date.

On behalf of the Executive Council,



Nicholas Goh Cher Shuie
Chairman

7 August 2017



Gilbert Tan Yip Wei
Honorary Treasurer



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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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Life Community Services Society (the "Society") as set out on pages 5 to 24, which comprise the balance sheet as at 31 March 2017, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the 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 financial position of the Society as at 31 March 2017 and of the financial performance, changes in funds and cash flows of the Society 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 Society in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Executive Council is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by the Executive Council as set out on page 1 and the Annual Report for the financial year ended 31 March 2017, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Executive Council for the Financial Statements

The Executive Council is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Regulations and FRSSs, and for such internal control as the Executive Council 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, the Executive Council is responsible for assessing the Society'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 the Executive Council either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Executive Council is responsible for overseeing the Society'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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Council.
- Conclude on the appropriateness of the Executive Council'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

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

Report on the Audit of the Financial Statements (cont'd)

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

- 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 by the Societies Regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations.

The fund raising appeal held during the financial year ended 31 March 2017 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act 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 Society 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 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

7 August 2017

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2017

	Note	Unrestricted Income Funds \$	Fair Value Reserve \$	Restricted Funds \$	Total 2017 \$	2016 \$
Income						
Student care fee assistance		238,988	–	–	238,988	224,528
Comchest		–	–	368,540	368,540	305,151
Care and share funding		170,470	–	222,192	392,662	542,661
Donations and funding	3	521,758	–	483,522	1,005,280	1,348,086
Programme fees		1,133,012	–	–	1,133,012	1,111,185
Interest income		32,585	–	–	32,585	30,059
Amortisation of capital grant	9	65,456	–	44,934	110,390	84,144
Wages credit, special employment credit and others		130,311	–	17,208	147,519	168,462
Total income	4	2,292,580	–	1,136,396	3,428,976	3,814,276
Expenditure						
Depreciation	5	85,010	–	49,305	134,315	126,967
Fundraising expenses		58,433	–	–	58,433	60,322
Rental expenses		42,662	–	41,938	84,600	85,798
Staff costs		1,172,948	–	956,322	2,129,270	1,969,416
Other operating expenses		328,823	–	148,748	477,571	525,591
Total expenditure	4	1,687,876	–	1,196,313	2,884,189	2,768,094
Total surplus/(deficit) for the financial year		604,704	–	(59,917)	544,787	1,046,182
Other comprehensive income						
<i>Items that are or maybe reclassified subsequently to profit or loss</i>						
Fair value gain on available- for-sale financial assets		–	9,854	–	9,854	16,064
Total surplus/(deficit) and comprehensive income/(loss) for the financial year		604,704	9,854	(59,917)	554,641	1,062,246

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 2017

	Note	2017 \$	2016 \$
Non-current asset			
Property, plant and equipment	5	266,658	393,855
Current assets			
Available-for-sale financial assets	6	236,305	226,451
Trade receivables		2,496	42,477
Other receivables	7	165,342	268,628
Fixed deposits	8	4,310,756	2,479,397
Cash and bank balances		1,356,458	2,309,612
		6,071,357	5,326,565
Total assets		6,338,015	5,720,420
Non-current liability			
Deferred capital grant	9	124,000	230,241
Current liabilities			
Deferred capital grant	9	106,963	61,204
Trade payables		7,974	2,384
Other payables	10	1,044,602	926,756
		1,159,539	990,344
Total liabilities		1,283,539	1,220,585
Net assets		5,054,476	4,499,835
Funds			
Unrestricted Income Funds	11	4,728,583	4,308,754
<i>Restricted Funds</i>			
- Friends of Children Fund	12	-	-
- Friends of Youth Fund	12	295,396	163,409
- Life Student Care Benevolent Fund	12	4,579	11,608
- MightyKids Families & Community Fund	12	-	-
- EduGrow Fund	12	-	-
Fair Value Reserve		25,918	16,064
		5,054,476	4,499,835

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 2017

	Unrestricted Income Funds \$	Fair Value Reserve \$	Restricted Funds					Total \$
			Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$	EduGrow Fund \$	
Balance at 1 April 2015	3,475,177	--	(46,851)	--	9,263	--	3,437,589	
Surplus/(deficit) for the financial year	987,140	--	(25,597)	163,409	2,345	(81,115)	1,046,182	
Fair value gain on available-for-sale financial assets	--	16,064	--	--	--	--	16,064	
Total surplus/(deficit) and comprehensive income/(loss) for the financial year	987,140	16,064	(25,597)	163,409	2,345	(81,115)	1,062,246	
Transfer of funds	(153,563)	--	72,448	--	--	81,115	--	
Balance at 31 March 2016	4,308,754	16,064	--	163,409	11,608	--	4,499,835	
Surplus/(deficit) for the financial year	604,704	--	(93,159)	131,987	(7,029)	(91,716)	544,787	
Fair value gain on available-for-sale financial assets	--	9,854	--	--	--	--	9,854	
Total surplus/(deficit) and comprehensive income/(loss) for the financial year	604,704	9,854	(93,159)	131,987	(7,029)	(91,716)	554,641	
Transfer of funds	(184,875)	--	93,159	--	--	91,716	--	
Balance at 31 March 2017	4,728,583	25,918	--	295,396	4,579	--	5,054,476	

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 2017

	2017 \$	2016 \$
Cash flows from operating activities		
Surplus for the financial year	544,787	1,046,182
Adjustments for:		
Amortisation of capital grant	(110,390)	(84,144)
Depreciation of property, plant and equipment	134,315	126,967
Interest income	(32,585)	(30,059)
Operating cash flows before working capital changes	536,127	1,058,946
Trade and other receivables	143,267	(5,936)
Trade and other payables	123,436	559,247
Net cash generated from operating activities	802,830	1,612,257
Cash flows from investing activities		
Purchases of property, plant and equipment	(7,118)	(240,937)
Interest received	32,585	30,059
Capital grant received for property, plant and equipment	49,908	183,331
Net cash generated from/(used in) investing activities	75,375	(27,547)
Net increase in cash and cash equivalents	878,205	1,584,710
Cash and cash equivalents at beginning of financial year	4,789,009	3,204,299
Cash and cash equivalents at end of financial year	5,667,214	4,789,009
Cash and cash equivalents comprise:		
Fixed deposits	4,310,756	2,479,397
Cash and bank balances	1,356,458	2,309,612
	5,667,214	4,789,009

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

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 a Public Character status for certain of its programmes. The principal place of activities is at 5 Stadium Walk #04-04/07, Kallang Leisure Park, Singapore 397693.

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 are presented in Singapore dollar (“\$”), which is the Society’s functional currency, have been prepared in accordance with the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore (“FRSs”). 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 FRSs 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 judgements and estimates made during the financial year.

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

In the current financial year, the Society has adopted all the new and revised FRSs and Interpretations of FRSs (“INT FRSs”) that are relevant to its operations and effective for the current financial year.

2 Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements of the Society.

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 2017 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, except as described below:

FRS 116 Leases

FRS 116 replaces the existing FRS 17: *Leases*. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 April 2019. The Company will assess the potential impact of FRS 116 and plans to adopt the standard on the required effective date.

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, MightyKids Families & Community and EduGrow programmes are apportioned accordingly based on the basis determined by management.

c) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

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

	%
Office equipment	20
Furniture and fittings	20
Computers	20
Renovation	20
Motor vehicle	20
Musical instruments	20

2 Significant accounting policies (cont'd)

c) Property, plant and equipment (cont'd)

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.

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

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

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 Society classifies its financial assets as "available-for-sale financial assets" and "loans and receivables" which comprise trade receivables, other receivables (excluding prepayments), fixed deposits and cash and bank balances.

2 Significant accounting policies (cont'd)

g) Financial assets (cont'd)

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.

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 is 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 the end of 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 other payables (excluding funding received in advance) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

2 Significant accounting policies (cont'd)

i) Provisions for other liabilities

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in income or expenditure.

j) Operating leases

Leases where a significant portion of the risks and rewards incidental to 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 expires, 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.

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 Tax deductible receipts

The Society issued tax deductible receipts for donations received during the year amounting to \$513,472 (2016: \$1,063,510). This includes the funding received in advance at year-end of \$42,068 (2016: \$45,000).

4 Total income/(expenditure)

	← Restricted Funds →					EduGrow Fund	Total 2017	Total 2016
	Unrestricted Income Funds \$	Friends of Children Fund \$	Friends of Youth Fund \$	Student Care Benevolent Fund \$	Life MightyKids Families & Community Fund \$			
Income								
Student care fee assistance	238,988	–	–	–	–	–	238,988	224,528
Comchest	–	170,182	72,935	–	125,423	–	368,540	305,151
Core and share funding	170,470	37,456	17,391	–	20,344	147,001	392,662	542,661
Donations and funding	521,758	192,957	277,183	–	13,382	–	1,005,280	1,348,086
Program fees	1,133,012	–	–	–	–	–	1,133,012	1,111,185
Interest income	32,585	–	–	–	–	–	32,585	30,059
Amortisation of capital grant	65,456	388	–	–	44,223	323	110,390	84,144
Wage credit, special employment credit and others	130,311	4,459	358	–	12,206	185	147,519	168,462
Total income	2,292,580	405,442	367,867	–	215,578	147,509	3,428,976	3,814,276

4 Total income/(expenditure) (cont'd)

	← Restricted Funds →					EduGrow Fund \$	Total 2017 \$	Total 2016 \$
	Unrestricted Income Funds \$	Friends of Children Fund \$	Friends of Youth Fund \$	Student Care Benevolent Fund \$	Life MightyKids Families & Community Fund \$			
Operating expenses								
Auditor's remuneration	(3,716)	(1,656)	(497)	—	(497)	—	(6,366)	(6,162)
Bank charges	(2,091)	—	—	—	—	—	(2,091)	(2,167)
Benevolent expenses	—	—	—	(7,029)	—	—	(7,029)	(4,755)
Consultancy fees	—	—	—	—	—	—	—	(54,000)
Classroom materials	(1,958)	—	—	—	(29)	—	(1,987)	(1,897)
Copier leasing	(6,648)	—	—	—	—	—	(6,648)	(6,648)
Charity Golf - Expenses	(55,424)	—	—	—	—	—	(55,424)	(56,892)
Donor, volunteers & staff dinner/year end gift	(1,428)	—	—	—	—	—	(1,428)	(80,139)
Depreciation	(85,010)	(807)	(909)	—	(47,266)	(323)	(134,315)	(126,967)
Event expenses	(35,388)	(20,186)	(35,640)	—	(10,189)	(7)	(101,410)	(44,633)
Fundraising expenses	(3,009)	—	—	—	—	—	(3,009)	(3,430)
Meeting related expenses	(3,863)	(50)	(50)	—	—	(77)	(4,040)	(2,999)
General expenses	(4,249)	(613)	(7)	—	(905)	—	(5,774)	(8,146)
Groceries and meals expenses	(82,748)	(15,032)	(1,784)	—	(1,351)	—	(100,915)	(105,737)
Insurance expenses	(6,735)	—	—	—	(721)	—	(7,456)	(8,486)
Medical expenses	(6,540)	—	(12)	—	(578)	—	(7,130)	(8,318)
Printing and stationery	(8,904)	(42)	—	—	(665)	(128)	(9,739)	(17,033)
Professional fees	(59,000)	—	—	—	—	—	(59,000)	5,750
License fees	(2,530)	(152)	(152)	—	(307)	—	(3,141)	(2,872)
Publicity/entertainment and promotions	(3,463)	—	—	—	—	—	(3,463)	(11,528)
Recruitment expenses	(2,143)	—	—	—	—	(1,122)	(3,265)	(1,192)
Rental of premises under operating lease	(42,662)	(30,051)	(2,732)	—	(9,155)	—	(84,600)	(85,798)
Staff salaries, bonuses and allowance	(1,006,229)	(348,168)	(164,462)	—	(194,657)	(122,209)	(1,835,725)	(1,701,633)
Staff CPF and other contributions	(141,294)	(53,849)	(26,177)	—	(26,182)	(18,116)	(265,618)	(248,537)
Staff insurance and welfare	(25,425)	(1,146)	(401)	—	(625)	(330)	(27,927)	(29,975)
Storage	(8,640)	(2,160)	—	—	—	—	(10,800)	(10,800)
Telephone expenses	(10,652)	(462)	—	—	(1,705)	(580)	(13,399)	(12,971)
Training	(15,760)	(2,156)	(1,629)	—	(1,640)	(1,363)	(22,548)	(9,890)
Transport expenses	(1,835)	(174)	(20)	—	(422)	(175)	(2,626)	(5,140)
Tuition expenses	(2,722)	(7,615)	—	—	(882)	—	(11,219)	(11,568)
Upkeep and maintenance of premises	(4,402)	(1,863)	—	—	(5,577)	—	(11,842)	(17,352)
Upkeep and maintenance of vehicles	—	(7,638)	—	—	—	—	(7,638)	(4,988)
Upkeep of IT system	(1,642)	—	—	—	(27)	—	(1,669)	(22,449)
Utility expenses	(31,597)	(3,286)	(1,408)	—	(3,567)	—	(39,858)	(32,898)
Volunteer management system/training expenses	(931)	(1,495)	—	—	(205)	(3,079)	(5,710)	(11,773)
Programme expenses- insurance/toiletries/asse ssment book/T-shirt	(19,238)	—	—	—	(142)	—	(19,380)	(14,071)
Total operating expenses	(1,687,876)	(498,601)	(235,880)	(7,029)	(307,294)	(147,509)	(2,884,189)	(2,768,094)

4 Total income/(expenditure) (cont'd)

Included in staff costs is an amount of \$135,350 (2016: \$132,400) and \$16,848 (2016: \$15,343) for remuneration and CPF contributions paid to key management personnel.

	2017	2016
<u>Key management remuneration</u>		
Number of staff in the following remuneration band:		
\$100,001 to \$160,000	<u>1</u>	<u>1</u>

5 Property, plant and equipment

	Office equipment \$	Furniture and fittings \$	Computers \$	Renovation \$	Motor vehicle \$	Musical instruments \$	Total \$
2017							
Cost							
At 1.4.2016	126,757	159,933	27,159	1,273,719	48,713	4,438	1,640,719
Additions	–	2,000	5,118	–	–	–	7,118
Reclassification	(3,667)	–	3,667	–	–	–	–
At 31.3.2017	123,090	161,933	35,944	1,273,719	48,713	4,438	1,647,837
Accumulated depreciation							
At 1.4.2016	85,198	128,617	14,219	967,493	48,713	2,624	1,246,864
Depreciation charge	12,219	12,693	5,957	102,928	–	518	134,315
Reclassification	(61)	–	61	–	–	–	–
At 31.3.2017	97,356	141,310	20,237	1,070,421	48,713	3,142	1,381,179
Net carrying value							
At 31.3.2017	25,734	20,623	15,707	203,298	–	1,296	266,658
2016							
Cost							
At 1.4.2015	94,794	142,303	15,061	1,094,473	48,713	4,438	1,399,782
Additions	31,963	17,630	12,098	179,246	–	–	240,937
At 31.3.2016	126,757	159,933	27,159	1,273,719	48,713	4,438	1,640,719
Accumulated depreciation							
At 1.4.2015	76,465	117,781	12,180	862,651	48,713	2,107	1,119,897
Depreciation charge	8,733	10,836	2,039	104,842	–	517	126,967
At 31.3.2016	85,198	128,617	14,219	967,493	48,713	2,624	1,246,864
Net carrying value							
At 31.3.2016	41,559	31,316	12,940	306,226	–	1,814	393,855

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 Other receivables

	2017 \$	2016 \$
Funding and donation receivables	122,018	220,538
Fees receivables	1,194	5,240
Deposits	22,572	21,921
Prepayments	19,558	20,929
	165,342	268,628

8 Fixed deposits

The fixed deposits bear interest at rates ranging from 1.18% to 1.90% (2016: 0.70% to 2.10%) per annum with maturity period ranging from 5 to 13 months (2016: 1 to 21 months) after the balance sheet date.

9 Deferred capital grant

These include:

- (a) 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.
- (b) Capital grants received from Care and Share Matching Grant and utilised for purchases of property, plant and equipment 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.

	2017 \$	2016 \$
Grant received	620,908	571,000
Less: Accumulated amortisation	(389,945)	(279,555)
Balance as at 31 March	230,963	291,445
Representing:		
Within 1 year - current	106,963	61,204
Within 2 to 5 years - non-current	124,000	230,241
	230,963	291,445

10 Other payables

	2017 \$	2016 \$
Advance interest income	–	4,615
GST payable	21,892	21,681
Deferred income ^(a)	693,154	588,521
Funding received in advance	67,068	45,000
Overfunding from Ministry of Social and Family Development	–	4,477
Advance fees received	1,155	1,852
Student care deposits	104,707	97,497
Accrued operating expenses	150,560	162,972
Other payables	6,066	141
	1,044,602	926,756

^(a) Included in deferred income are grant received from Care and Share Matching Grant amounting to \$678,904 (2016: \$476,674). The following are movements of the Care and Share Matching Grant.

	2017 \$	2016 \$
Balance at 1 April	476,674	10,657
Grant received	600,000	1,162,294
Expenditure	(392,652)	(555,728)
Expenditure - utilise for purchases of property, plant and equipment transferred to deferred capital grant	(5,118)	(140,549)
Balance at 31 March	678,904	476,674

Care and Share Matching Grant (the “Grant”) is managed by the Ministry of Social and Family Development (“MSF”). As per the Variation to the Funding Agreement dated 28 August 2015 (the “Agreement”), this represents a dollar and twenty-five cents for every eligible donation dollar for the first \$1,000,000 and a dollar for every eligible donation dollar for the subsequent \$1,000,000 that the Society raises between 1 December 2013 and 31 March 2017. The Grant is targeted at agencies that provide social service and develop programmes to serve beneficiaries better. The Grant can be used for the following areas:

- (i) Capability Building
- (ii) Capacity Building
- (iii) New programmes to meet emerging or unmet needs and enhancements/expansion of existing services
- (iv) Critical Existing Needs (up to 20%)

The Society has up to 3 years after the end of the matching grant period (i.e. 31 March 2019) to utilise the grants.

The Society participates in the Grant scheme and is subjected to the terms and conditions of the Agreement and the Operating Rules.

11 Unrestricted Income Funds

	2017 \$	2016 \$
Balance as at 1 April	4,308,754	3,475,177
Surplus for the financial year	604,704	987,140
Transfer to Restricted Funds (Note 12)	(184,875)	(153,563)
Balance as at 31 March	4,728,583	4,308,754

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

12 Restricted Funds

	Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$	EduGrow Fund ^(a) \$	Total \$
2017						
Balance as at 1 April 2016	–	163,409	11,608	–	–	175,017
Government subvention	207,638	90,326	–	151,614	147,001	596,579
Donation and funding	192,957	277,183	–	13,382	–	483,522
Miscellaneous income	4,847	358	–	50,582	508	56,295
Expenditure	(498,601)	(235,880)	(7,029)	(307,294)	(147,509)	(1,196,313)
(Deficit)/surplus for the financial year	(93,159)	131,987	(7,029)	(91,716)	–	(59,917)
Transfer from Unrestricted Income Funds (Note 11)	93,159	–	–	91,716	–	184,875
Balance as at 31 March 2017	–	295,396	4,579	–	–	299,975

^(a) The operations of EduGrow is funded through Care and Share Matching Grant.

12 Restricted Funds (cont'd)

	Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$	EduGrow Fund^(a) \$	Total \$
2016						
Balance as at 1 April 2015	(46,851)	–	9,263	–	–	(37,588)
Government subvention	185,066	80,357	–	171,637	99,779	536,839
Donation and funding	217,875	265,484	7,100	29,552	–	520,011
Miscellaneous income	21,885	5,857	–	3,285	–	31,027
Expenditure	(450,423)	(188,289)	(4,755)	(285,589)	(99,779)	(1,028,835)
(Deficit)/surplus for the financial year	(25,597)	163,409	2,345	(81,115)	–	59,042
Transfer from Unrestricted Income Funds (Note 11)	72,448	–	–	81,115	–	153,563
Balance as at 31 March 2016	–	163,409	11,608	–	–	175,017

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 EduGrow Fund is to seek to provide holistic support to children from low-income families in Marine Parade, enabling the growth towards an upward society mobility.

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 as follows:

	2017 \$	2016 \$
Not later than one financial year	61,286	62,894
Later than one financial year but not later than five financial years	62,942	130,700

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:

	2017 \$	2016 \$
With related parties		
Storage expense	9,600	9,600
Other fees paid	1,200	1,200
Tax deductible donations received	24,383	69,289
With members of the Executive Council		
Tax deductible donations received	15,840	25,912

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:

	2017 \$	2016 \$
<i>Financial assets</i>		
Available-for-sale financial assets	236,305	226,451
Loan and receivables (including fixed deposits and cash and bank balances)	5,815,494	5,079,185
Total financial assets	6,051,799	5,305,636
<i>Financial liabilities</i>		
At amortised cost	269,307	267,471

15 Financial instruments (cont'd)

(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.

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.

15 Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

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 sundry receivables past due but not impaired is as follows:

	2017	2016
	\$	\$
Past due less than 30 days	605	13,688
Past due 30 to 60 days	54	10,924
Past due over 60 days	1,837	17,865
	2,496	42,477
	2,496	42,477

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.

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) in active 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 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 2017 were authorised for issue in accordance with a resolution of the Executive Council dated 7 August 2017.